The Incorporated Accountants' Journal

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Professional Notes.

THE Fourth International Congress on Accounting opens in London on Monday, July 17th, with a service in Westminster Abbey, by kind permission of the Dean, when a sermon will be preached by the Archbishop of York. In the afternoon the Presidential Address of Welcome will be delivered by Lord Plender at Grosvenor House and will be followed in the evening by a reception at the same place. The full details of the programme for each day were published in our last issue, and the papers to be given, together with the discussions thereon, will be pronouncements of importance on professional matters of great interest. The proceedings in London will include a banquet in the Guildhall, by kind permission of the Lord Mayor and Corporation, when H.R.H. Prince George will be the principal guest. The Congress will be brought to a conclusion in London on Friday evening, July 21st, by a ball at Grosvenor House, and every arrangement has been made for a large gathering.

On Monday, July 24th, and the two following days delegates and accountants from abroad are invited to visit Scotland, where they will be entertained by the sponsoring bodies which have their headquarters in Scotland; or Ireland, where they will be entertained by the Institute of Chartered Accountants in Ireland. In order to save unnecessary inquiries at the offices of the sponsors of the Congress, it is advisable again to point out that a Congress Office will be opened at Grosvenor House, Park Lane, London, W.1 (Mount Street entrance), from Monday, July 10th.

The results of the May, 1933, examinations of the Society of Incorporated Accountants and Auditors at centres in Great Britain and Ireland are published in full in another part of this issue. Of the total of 1,013 candidates for the three examinations, 49 per cent. were successful and 51 per cent. failed. For the Final examination there were 356 candidates, of whom 171 (48 per cent.) were successful. Seven Certificates of Merit were awarded, the recipients being Mr. Stephen John Kent, Leicester (First Certificate of Merit and First Prize); Mr. Bernard Charles Cornes, London (Second Certificate of Merit and Second Prize); Mr. Joseph Richard Paramour, London (Third Certificate of Merit and Third Prize); Mr. Herbert Arthur Manning, London; Mr. Henry George Echart, Rickmansworth; Mr. Stanley Pittam Whiting, Scarborough; and Mr. Henry Robert Elliott, Worthing.

Candidates for the Intermediate examination numbered 490, and 47 per cent. were successful. Mr. Albert Vincent Vincent, Wolverhampton, has been awarded the First Place Certificate and First Prize, and Mr. Dudley Childs, Torquay, the Second Place Certificate and Second Prize. The Third, Fourth, Fifth, Sixth, Seventh, Eighth, and Ninth Place Certificates have been awarded to Mr. Edwin Stanley Prince, Derby; Mr. Arthur Paul Goth Walters, London; Mr. John Henry Gadsden, London; Mr. Edward Bennion, Maidstone; Mr. George Vincent Sigwart, Northampton; Mr. Frank Andrew Tyler, London; and Mr. John Roland Hill, Kingston-on-Thames.

Mr. Leonard John Dennis Jones, London, receives the First Place Certificate and Prize in the Preliminary examination, while Mr. David Roy Ingham, Grimsby, has been awarded the Second Place Certificate, and Mr. Ernest Smithies, Leeds, the Third Place Certificate. Those successful in this examination represent 55 per cent. of the 167 candidates.

At the June meeting of the Council of the Institute of Chartered Accountants, Mr. H. L. H. Hill, senior partner in the firm of Messrs. Hill, Vellacott & Co., was elected President of the Institute, and Mr. A. E. Cutforth, C.B.E., of the firm of Messrs. Deloitte, Plender, Griffiths and Co., was re-elected Vice-President for the ensuing year. It will be remembered that Mr. Hill was President of the Institute for the year 1931-32, and his re-appointment for the year during which the International Congress on Accounting is being held in London will afford general pleasure.

The Monetary and Economic Conference, the delegates to which represent some 66 nations, is pursuing its work in London. At the meeting of the Monetary and Financial Committee on June 26th, the British Chancellor of the Exchequer, Mr. Neville Chamberlain, advocated a greater measure of control over foreign loans, with additional safeguards for investors.

When a foreign loan is issued, said Mr. Neville Chamberlain, the fullest particulars possible as to the financial position, past and present, of the borrowing country should be made public. While fully appreciating the efforts many debtor countries have made to fulfil their obligations, Mr. Chamberlain warned the Committee that if debtors were to pursue international financial policies which would prejudice their credit in the world market, they might easily endanger efforts made to restore the normal working of the international system over a much wider field.

The Municipal Corporations (Audit) Bill is now before the House of Lords and passed its second reading in that House on June 22nd. Up to the time of going to press there are no fresh developments, and when the Bill has become law it will be reproduced in our columns as an Act of Parliament. A lucid exposition of the Bill by Mr. E. Cassleton Elliott, F.S.A.A., appeared in a recent issue of *The Times*.

We publish in another column a short summary of the Interim Report of the Hospital Accounting Committee of the International Hospitals Association. The Committee was appointed two years ago, on the occasion of the Congress held by the Association in Vienna, and the Interim Report now presented sets out basic principles for consideration at the third Congress, which is now being held. If these principles are approved, the Committee will proceed immediately to prepare a complete system of accounting suitable for international adoption.

The Chairman of the Committee is an Incorporated Accountant—Captain J. E. Stone, F.S.A.A., Secretary of the Birmingham Hospitals Centre—while the other members include representatives of the United States of America, Denmark, Germany, France and Italy. It is of interest to note that Captain Stone is the only hospital officer in Great Britain to hold the chairmanship of any of the committees appointed by the Association.

What is the difference for Income Tax purposes between an annuity "free of tax" and an annuity of such an amount as after deduction of the Income Tax for the time being payable in respect thereof leaves a fixed sum? This was the question which Mr. Justice Eve had to settle last month in the case of *Re Jones*; *Jones* v. *Jones*. The first impression might be that the result to the annuitant would be the same in each case, but this is not necessarily so. In the event of the annuitant being entitled to recover tax in respect of personal allowances, he must in the "free of tax" case hand over the amount recovered (so far as it relates to the annuity) to the Trust from which the annuity was derived, whilst in the other case he is entitled to retain it.

His Lordship said that annuities given "free of Income Tax" were covered by the case of *In re*

Pettit; Le Fevre v. *Pettit*, but in the case he had before him the Income Tax only came in for the purpose of fixing in each year the amount to be provided. In that connection the rate for the time being meant the standard rate, not the rate at which the annuitant might ultimately have to pay, and the bequest was of an annual sum liable to fluctuation in accordance with the movement up or down of the standard rate. It was not an annuity bequeathed free of Income Tax. The trustees would pay the tax on behalf of the annuitant each year, and if the annuitant succeeded in recovering any part of the tax so paid he would be entitled to retain it.

A curious case came before Mr. Justice Du Parcq in the King's Bench Division recently. It had relation to a judgment for damages for wrongful dismissal. The amount of the damages was agreed at £18,000, but it was left to the Court to determine whether the fact that the employee would have been liable for Income Tax, and possibly sur-tax, in respect of his salary if it had been paid under the agreement, was a matter of law to be taken into account in assessing the damages, and, if so, what deduction should be made from the £18,000. His Lordship decided that no deduction should be made. The true view, he said, was that it was the employer's duty to pay the salary agreed and the employee had to pay tax on his income, including his salary. The incidence and extent of the tax were matters between the Crown and the employee and did not in any way concern the employer. The Court, in awarding the compensation, was no more concerned with matters of tax than was the employer during the currency of the agreement.

The question whether the sum awarded for damages was liable to Income Tax or not was not argued, and for the purpose of the case his Lordship, without deciding the point, assumed it was not so liable. He added, however, that Parliament might have provided, and might yet provide, that sums awarded as compensation for loss of income should themselves be subject to taxation, but the function of a Judge was at an end when he had awarded the equivalent of such salary as he thought would have been earned if the contract had not been broken.

On the report stage of the Finance Bill an amendment was moved in relation to Co-operative Societies with the object of excluding from the taxable surplus "any profit or surplus specifically assigned to a dividend or discount equalisation fund." The Financial Secretary to the Treasury refused to accept the amendment because, he said, if it were adopted all that a society had to do to avoid taxation was to describe its reserve as a dividend equalisation account. There was no limit to the sum which might be placed to that account, and therefore the whole of the reserves might be exempt from taxation. The amendment was defeated by a large majority.

Referring to what is described as "the reprehensible practice of calling for bids for professional services," the editor of the *Journal of Accountancy*, New York, makes the following comment :—

> If two accounting firms are asked to submit bids for an audit, each one of them must know that whatever price may be quoted and whatever result may attend an offering of that kind, something of the professional element will have been taken away. There are people so anxious to obtain work in every profession that they will do most unfortunate things in order to earn or at least to receive a few more dollars. There is no argument in favour of this sort of thing and it will doubtless be abandoned in the course of time.

In this connection a professional accountant in America whose firm had consistently refused to compete for work on the basis of fees, records that for the last twenty years a certain Board of Education had asked for bids from various accounting firms (including his own) for the audit of their accounts, but had now changed their views upon the matter. The accountant referred to gives the following amusing account of the change of attitude on the part of the Education Authority :—

> A few weeks ago a member of the school board called upon us and stated that the school board had unanimously agreed that it was proper to select accountants by asking for bids and taking the lowest bidder if they wished also to have their tonsils removed on the same basis, and that, therefore, they had decided that this year they would not ask for bids, and asked us to make the audit of the district at regular per-diem fees.

As regards accountancy work in this country, it is not often that accountants are placed in the position of bidding on the basis of fees, but there are instances where this occurs in the case of public bodies. These bodies are so accustomed to have their commercial contracts put up to

public competition that it occasionally happens that they think it merely a normal procedure to adopt the same course when they require professional services.

Mr. Justice MacKinnon in the course of a judgment in relation to Rating and Valuation matters, said it was extremely difficult to find out what the purpose of certain of the enactments was, and concluded with the following observation respecting the 1928 Act :—

> "This Act must be the work of the collective wisdom of Parliament, because, having spent considerable time in reading its provisions and debating them with the skilled assistance of leaders of the Bar, I am quite satisfied that it would be very difficult to find a single individual Member of Parliament who would have the faintest idea of what it means."

Similar difficulties of interpretation arise in connection with Income Tax legislation appearing in the Finance Acts from time to time and it will be a great relief when a codification of Income Tax law can be carried out. It is now fifteen years since the last codification took place, and the numerous additions and alterations which have been made in the meantime make it exceedingly difficult in many instances to ascertain with any precision what the present law really is.

In answer to a question in the House of Commons it was stated on behalf of the Government that, on the assumption that the amount subscribed in Great Britain to the Irish Sweepstakes was proportionate to the prizes known to have been won in this country, the Royal Commission on Lotteries had calculated that the total amount subscribed in Great Britain to the nine Irish Sweepstakes was approximately £21,200,000 and the amount won as prizes in Great Britain was approximately £11,330,000. From this it would seem that nearly half of the money subscribed to these sweepstakes is entirely lost so far as this country is concerned.

At the Mansion House, London, last month, the directors of three companies were fined for being knowingly parties to the default made by each of the companies in failing to hold a general meeting in 1932 and in neglecting to lay a profit and loss account before the shareholders. The magistrate stated that the penalties to which the directors were liable were £50 for not holding the meeting and £200 for not submitting a profit and loss account. It was explained that owing to the world-wide depression the companies were not doing any business, but the magistrate said that in these circumstances it was all the more necessary that the shareholders should be informed of their position. He decided, however, to take a lenient view of the matter and imposed only nominal penalties.

STAMP DUTIES ON RECONSTRUCTIONS AND AMALGAMATIONS.

In reconstructing or amalgamating companies, frequent use is made of sect. 55 of the Finance Act, 1927, which makes concessions in respect of the capital and conveyance duty payable. Relief is granted in respect of capital duty where a new company is formed to acquire the undertaking of another company, or not less than 90 per cent. of the shares of another company. And a similar relief is granted where the capital of an existing company is increased for similar purposes. But this relief, together with that which is granted in respect of conveyance duty, is granted only on the following terms :—

(*a*) Where the *undertaking* of another company is to be acquired and the consideration therefor consists (as to not less than 90 per cent. thereof) of an issue of shares to (i) the existing company, or (ii) the holders of shares in that company; or

(*b*) Where the *shares* of another company are to be acquired and the consideration therefor consists (as to not less than 90 per cent. thereof) of an issue of shares to the holders of shares in the existing company.

On three occasions during the current year the Courts have been called upon to interpret these provisions.

In *Brotex Cellulose Fibres, Limited*, v. *Commissioners of Inland Revenue* (1933), the B.C.F. Company was formed to acquire the undertaking of the B. Company. In October an agreement was signed whereby the B.C.F. Company undertook to allot fully paid shares to the liquidator of the B. Company or his nominees. In November the B. Company resolved to wind up, and authorised the liquidator to carry out the agreement. But between the date of the agreement and that of the resolution there were dealings in the company's shares. As a result of these dealings certain persons who voted at the winding-up meeting in fact held their shares as trustees for purchasers. These persons nominated the purchasers as allottees of the shares to be allotted by the B.C.F. Company, and on this account the Commissioners of Inland Revenue refused to allow, in respect of the stamp duty on the

agreement, the concessions granted by sect. 55. Mr. Justice Rowlatt held that the concession could not be claimed since the B.C.F. Company's shares had not been allotted to *holders of shares in the existing company.*

A similar decision was arrived at in *Oswald Tillotson, Limited,* v. *Commissioners of Inland Revenue* (1933), where members of the existing company signed renunciation forms on the allotment letters and nominated other allottees. In this case it was argued that the shares were "issued" when the letters of allotment were despatched, and that the requirements of sect. 55 were, therefore, satisfied; but the Court of Appeal declined to take this view.

Finally, in *Murex Limited* v. *Commissioners of Inland Revenue* (1933), the section was considered as regards its application to an amalgamation by acquisition shares. Imperial Chemicals held 79,000 shares of the P. Company, the other shares being held by their nominees. Imperial Chemicals and the nominees contracted to sell their shares to Murex Limited in return for an allotment of that company's shares. The allotments were made to five nominees of Imperial Chemicals, and on this account the concessions granted by sect. 55 were refused.

It is, then, important to observe that on a reconstruction or amalgamation full conveyance duty must be paid unless new shares, which form the consideration, are allotted to *persons who hold shares in the existing company.*

INSURANCE AGAINST MACHINERY DEFECTS.

THE maintenance of machinery in sound condition is of the utmost importance, but regular inspection may fail to reveal defects which, if recognised at an early stage, might be repairable at comparatively small cost and loss. To cover this risk many machinery users endeavour to insure against the consequences of defects coming to light. Unfortunately, it is sometimes difficult to secure effective cover in this manner, for insurers are, after all, not guarantors. Thorough understanding of the nature and scope of the insurance policy taken out is necessary so as to avoid misconception as to what is in fact covered by the terms of the policy. A few illustrations of the types of difficulties which may arise in this connection should serve to indicate their sources as well as their causes—and to avoid disappointment or a sense of grievance which might subsequently arise in the mind of the insured party.

In *Hutchings* v. *Royal Exchange Assurance Corporation* (1911) the plaintiffs had taken out a policy with the defendants for a period of twelve months beginning December 10th, 1908, in respect of a vessel owned by them. The policy was expressed to cover them against loss of, or damage to, the hull or the machinery through a number of specified causes "or through any latent defect in the machinery or hull." The vessel was built in 1906, and by March, 1909, it had completed a number of successful voyages, and had undergone the customary inspections without revealing the defect which came to light in March, 1909. The defect, in point of fact, had occurred in the process of the vessel's construction—the stern frame which the British builders had acquired from a Continental firm had been cast in its mould in a defective manner; the defect had remained latent until 1909. In that year, however, it was revealed through a crack developing in the frame consequent upon wear and tear.

The problem, then, was: Were the insured covered under their policy? In holding that they were not the Court proceeded upon the following lines of reasoning. The latent defect did not arise during the term covered by the insurance policy. An insurer does not insure against wear and tear and its consequences—in the ordinary way. Where a policy is taken out to cover loss of a vessel, or part of it, or of a piece of machinery, a loss cannot be said to have arisen merely because a defect—formerly latent—has become patent, and has been revealed through wear and tear. If machinery is defective to begin with, even though the defects be concealed so that the insured is unaware of them when he takes out his policy, that is the time when the loss can truly be said to have occurred, and not the time when the defects become known. To insure against defects occurring is one thing, whilst to insure against their being brought to light during the term of an insurance policy is quite another. Nor is the insured helped by the argument that his loss occurred during the currency of the policy since it was during that period that he was put under the necessity of replacing the defective machinery; the true criterion is: When did the damage occur? and not: When was the loss borne which was occasioned by the damage?

In a 1906 case it was pointed out that where a crack in a shaft was brought to light during the currency of an insurance policy that was not the sort of "loss" which the insurers had covered, under the terms of a policy providing the insured with indemnity against loss of, or damage to, the machinery through latent defect;

that is to say, where the loss or damage suffered was no more than the defect itself which had been brought to light. The insurers had not assumed the burden of contracting that they would make good any defects brought to light during the term of the policy granted, for if they did so contract they would be undertaking a guarantee that the machinery was free from defects at the commencement of the policy, or if it turned out that there were defects at the commencement—the discovery being made before the termination—of the currency of the policy that they would replace the machinery. In order to be able to secure indemnity under the policy, in short, the insured must show two facts: First, that he has suffered loss or damage; and, secondly, that that loss or damage was brought about through a latent defect in the machinery. Clearly, if the defect which was the cause of the loss or damage was not latent but patent, that would be a material circumstance requiring to be disclosed in the proposal. An insurer invited to give cover is entitled to be informed of patent defects which render the risk more serious, so as to be given the opportunity of placing a suitable premium upon the risk undertaken. Alternatively, a patent defect would be known to the proposed insurer, upon reasonable inspection, and he would not be unfairly prejudiced by its existence. In either event, the insurer would have a reasonable opportunity of assessing the risk—and the law must seek to hold the scales evenly as between insurer and insured.

The proper form of provision to secure, therefore, is a contract of guarantee—from the manufacturer or supplier—so far as latent defects, in themselves, are concerned and liable to cause expense in replacement or stoppage of work.

Another way of elucidating this class of problem is to bear in mind that, generally, the insurance policy taken out is designed to cover the insured against a "casualty"; it may well be that a "casualty" occasioned through a latent defect is within the scope of the cover provided, but a latent defect itself cannot accurately be described as a "casualty." The existence of a latent defect in machinery is a circumstance liable to cause a casualty more readily than would be the case if no defect—latent or patent—existed; it is comparable to the existence of a disease in a person proposing for life insurance; the disease may be latent—unknown alike to insured and insurer; the existence of the disease is likely to cause death or incapacity. The insured is, then, entitled to indemnity or compensation in two cases: one, where the insurer assumed the burden, by the terms of his contract, of it subsequently transpiring that the life of the insured was, at the outset, "vicious" through "latent defect," and the other, where the insured becomes incapacitated or dies through illness caused by his "latent defect" which was previously quite unknown.

In all contracts of insurance the risk is increased by the existence of defects in the body or machine insured; the insurer, on the one hand, is entitled to be apprised of these, so far as is humanly reasonable and possible, whilst the insured must, on the other hand, make full disclosure so far as is humanly reasonable and possible.

Machinery users, therefore, should make sure that adequate financial provision has been made to replace machinery which becomes a casualty.

INTERNATIONAL HOSPITALS ASSOCIATION.

Interim Report of Accounting Committee.

An interim report has been issued by the Hospital Accounting Committee of the International Hospitals Association. The Chairman of this Committee is an Incorporated Accountant (Captain J. E. Stone, F.S.A.A., Secretary of the Birmingham Hospitals Centre), while the other members include representatives of the United States of America, Denmark, Germany, France and Italy. The Committee was appointed two years ago, on the occasion of the Congress held in Vienna by the International Hospitals Association. The interim report now presented sets out basic principles for consideration at the Third Congress, which is being held from June 27th to July 3rd this year. If the principles are approved, the Committee will proceed immediately to prepare a complete system of accounting suitable for international adoption.

The report contains a Chart of Hospital Organisation, which is intended to be used as the basis of the accounting system, and the Committee consider it essential that the system should conform to the following principles:—

1. The base line or starting point of a sound system of accounting for hospitals must be a chart showing all the units of the complete organisation.
2. The introduction of a budget based on this chart.
3. The inception of a separate account for each unit of the organisation. Within each account, the analysis of expenditure to be grouped under appropriate headings.
4. The reduction of the total expenditure in each account to a unit of cost, each unit being determined solely by the nature of the service rendered.
5. The system must be that known as Income and Expenditure as distinct from that known as Cash Receipts and Payments, so as to show the true cost and income for the period under review.
6. There must be a complete separation of Capital Income and Expenditure from Revenue Income and Expenditure.
7. The Financial Accounts must be supplemented by a system of Statistical Returns.

8. The accounts for any given period should be summarised into two main Statements :—

   i. An Income and Expenditure Account—showing all income and expenditure of the hospital for a given period, generally one year.

   ii. A Balance Sheet, showing all assets and liabilities of the Hospital as at a given date.

Regarding the Income and Expenditure Account and the Balance Sheet, the Committee recommend that :—

The Income and Expenditure Account should set out the income *earned* and expenditure *incurred* for the period of the account, generally one year, in such a manner that the information contained therein is easily understandable by the general public as well as by those who are more conversant with hospital finance. This account, which is at the present time published to show items of income and expenditure under subject headings, will, under the system we suggest, show not income and expenditure as such, but income and expenditure in respect of each unit of the Organisation.

Such an account should not be considered solely an annual account ; in our opinion it should be prepared monthly.

Every hospital should publish a Balance Sheet. It has been said that such a statement is not necessary in connection with hospital finance, or that if it is necessary there is no need to show capital assets (property and equipment, &c.) on the statement. The argument seems to arise on the assumption that the main purpose of a Balance Sheet is not to show solvency but accomplishment, and that the main purpose of a Balance Sheet showing capital assets is to indicate that the concern is able either immediately or ultimately, to pay its way. A little thought, however, will show that it is desirable for hospitals to publish Balance Sheets containing details of capital assets. The purpose of a Balance Sheet is to show, not only solvency, but also accountability ; a hospital is responsible not only for providing results in the way of service, but also for showing that for everything entrusted to it it has something of value. Further, in order to show whether the amount of capital invested in the hospital is adequate, or out of proportion to the services rendered the Balance Sheet should show not only the total value of such property, but also the sub-divisions of the investment among the various departments. It happens often that a hospital has suffered high working costs because it has been inadequately supplied with facilities. It has been obliged to pay wages for work done by hand which might more economically have been done by machinery. On the other hand, a hospital may have enjoyed low working costs because work has been done in large part by expensive equipment necessitating little hand labour. The adequacy or otherwise of equipment is a most important factor, and one which has a considerable bearing on the cost of maintenance.

For these reasons it is therefore considered most desirable that hospitals should maintain complete Balance Sheets indicating what they have to show for all funds entrusted to them ; what they have invested in interest bearing securities, and what they have invested in various types of property and equipment.

In the view of the Committee, the final test of the value of any system of accounts for hospitals lies in its success in multiplying the power and increasing the effectiveness of the administration. The knowledge that efficient and economical service is being rendered will, we feel, ensure the goodwill and support of the public, on which hospitals are dependent for any real success.

NEW BANKRUPTCY REGULATIONS.

Claims for Taxes.

The following is a copy of the revised Regulations as to the treatment in bankruptcy of claims for taxes agreed between the Board of Trade and the Commissioners of Inland Revenue. These Regulations should be substituted for the provisions of paragraph 20 of Tr. Circular No. 4, which is issued to every Trustee in Bankruptcy on his appointment.

1.—Proofs may be made for the full amount of income tax and sur tax assessed upon the debtor at the date of the receiving order for the year of assessment ending April 5th next after that date and such tax will rank for dividend.

2.—Proofs may be made for income tax and sur tax (including super-tax), assessed upon the debtor at the date of the receiving order for a year or years prior to that in which the Order is made and such tax will rank for dividend except so far as it is tax payable in priority under sect. 33 (1) of the Bankruptcy Act, 1914.

3.—Proofs may be made for land tax assessed upon the debtor at the date of the receiving order and such tax will rank for dividend except so far as it is tax payable in priority under sect. 33 (1) of the Bankruptcy Act, 1914. Provided that where the receiving order was made prior to January 1st in the year of assessment, proofs will not be made, or, if made, will be withdrawn, if on the said January 1st the property in respect of which the land tax is assessed is occupied by a person other than the debtor or the Trustee in bankruptcy.

4.—(*a*) When the receiving order is made on or after April 6th in any year but before a resolution has been passed by the House of Commons in Committee of Ways and Means imposing income tax and sur tax for the year commencing on such April 6th, and having statutory effect under the Provisional Collection of Taxes Act, 1913, no proof will be made for any income tax or sur tax for that year.

(*b*) Proofs may be made for any tax imposed at the date of the receiving order, although the assessment of such tax may be made subsequently to the date of the Order. The tax will rank for dividend except so far as it is tax payable in priority under sect. 33 (1) of the Bankruptcy Act, 1914. In the case of sur tax *imposed* at the date of the receiving order at a rate to be determined by Parliament thereafter, proof may be made on the basis that the existing rates of sur tax are re-imposed. In the event of the liability being ultimately altered an amended proof will be lodged.

5.—(*a*) Where proof has been made for income tax assessed upon the debtor under Schedules B, D or E, and it is claimed that the debtor had no income taxable under such schedules, or that the assessments are excessive, an affidavit by the debtor setting out the grounds of claim, accompanied by a certificate by the Trustee in the Bankruptcy in the terms of the First Schedule to these Regulations may be submitted and upon receipt thereof the Inland Revenue Authorities will forego so much of the claim as appears to them on an examination of the said affidavit and certificate to be excessive. The form to be used for the purpose of such claim may be obtained from the Inspector of Taxes upon application.

(*b*) In cases where an affidavit by the debtor cannot be obtained, a certificate by the Trustee in Bankruptcy may be submitted, but the reason for the failure to furnish an affidavit must be stated in the certificate.

(*c*) Claims to relief from tax on account of " Personal Allowance " or such other reliefs and allowances as under the Income Tax Acts are dependent upon a statement of

total income should be made *by the debtor* in the ordinary manner upon forms of declaration which may be obtained for the purpose from the office of any Inspector of Taxes.

In cases where such claims and statements cannot be obtained from the debtor, the Inland Revenue may, in lieu thereof, accept a certificate from the Trustee in Bankruptcy setting forth the relevant facts and may allow such relief as they are satisfied could properly have been claimed by the debtor.

(*d*) Any waiver of claim under sub-paragraphs (*a*) and (*b*) of this Regulation shall not extend to tax which the debtor was entitled to deduct from any interest of money, annuities, royalties or other sums paid in respect of the user of a patent or copyright, or other annual payments.

6.—Where a Collector of Income Tax has levied a distress on the goods of a debtor before the making of a receiving order, the following conditions shall apply :—

(i) If the distress has been completed by the sale of the goods distrained prior to the making of the receiving order, the Collector shall retain the proceeds of sale, so far as the same are necessary to satisfy the amount for which distress was levied.

(ii) If the distress has not been so completed, the Collector will withdraw upon receipt of an undertaking by the Official Receiver or Trustee in the terms of the Second Schedule to these Regulations to treat such sum as may be legally due to the Collector under and by virtue of the distress as a charge on the proceeds of the goods distrained on.

Notes :—

(*a*) If the distress has been levied within three months next before the date of the receiving order the goods or proceeds will be subject to the charge imposed by sect. 33 (4) of the Bankruptcy Act, 1914.

(*b*) If an available act of bankruptcy had been committed by the debtor prior to the levying of the distress, nothing will be due to the Collector under and by virtue of the distress, and he will prove in the bankruptcy for the debt for taxes for which the distress was levied but make no claim in respect of the costs of the distress.

FIRST SCHEDULE.

CLAIM FOR RELIEF FROM ASSESSMENTS OF INCOME TAX UNDER SCHEDULES B, D OR E.

The Bankruptcy Acts, 1914 *and* 1926.

Court..... No. of Matter.....

Re.....

of .....

I,.....the above-named Debtor, do hereby make oath and say as follows :—

That I am justly and truly entitled to be relieved from the payment of the sum of £ being the tax payable under the assessment upon me under Schedule.....for the year(s) from April 6th .....to April 5th.....on the following grounds :—

(Here specify the grounds of claim.)

Sworn at
this day of ,193 .
Before me.....

CERTIFICATE.

I hereby certify that from an examination of the above-named debtor (against whom a receiving order was made on the day of , 19) and from such evidence, books, accounts, &c., as have been produced to me, it appears that if the debtor had availed himself of the statutory provisions for relief there would have been *no/less liability to Income Tax and that, therefore, the debtor and his estate should be relieved accordingly.

(Signed) .....
Trustee.

Dated this day of , 193 .

* Strike out as appropriate.

Note I.—Any waiver of claim in consequence of the above certificate will not extend to tax which the debtor was entitled to deduct from any interest of money, annuities, royalties or other sums paid in respect of the user of a patent or copyright, or other annual payments.

Note II.—The evidence in support of the claim for relief should be attached to this certificate.

SECOND SCHEDULE.

UNDERTAKING AS TO PAYMENT OF TAXES IN CASES OF DISTRESS.

The Bankruptcy Acts, 1914 *and* 1926.

Re.....

In consideration of your forbearing to realise and withdrawing from possession under the distress which you have levied or caused to be levied upon such goods of the above-named Debtor as are liable to a distress for taxes in arrear due from such Debtor, I HEREBY UNDERTAKE [without prejudice to the rights of preferential creditors under sect. 33 (4) of the Bankruptcy Act, 1914] to treat the amount of money for which such distress is available, including the costs which you have incurred in the above levy, as a first charge on the net proceeds of any realisation of such goods which may come into my hands, subject only to the rights of such preferential creditors as aforesaid.

Dated this day of , 19 .

(Signed) .....
Official Receiver.

Address .....
.....

To.....
.....

Income Tax Returns made by Bankrupts.

A trustee in bankruptcy is not entitled to require the disclosure to him of particulars shown in any returns furnished by a bankrupt for income tax purposes. The Board of Inland Revenue, have, however, agreed, as a result of negotiations with the Board of Trade, that copies of returns rendered by a bankrupt may be supplied to a trustee provided he furnishes a specific authority in the terms of the draft attached, signed by the bankrupt. A trustee should avail himself of these facilities only in cases in which reasonable grounds exist for supposing that the returns made by the bankrupt contain information of practical importance.

To H.M. Inspector of Taxes, ...193..
.....District.

I have to inform you that on.....
a Receiving Order in Bankruptcy was made against me in the.....Court. I hereby authorise and request you to supply to the trustee of my estate, Mr. ..... of .....,
copies of the returns made by me of my income for income tax purposes for the undermentioned years :—

Year ending April 5th, 19....
" " " " 19....
" " " " 19....

Signature .....
Address .....
.....

THE FINANCE ACT.

The following are the provisions of the Finance Act, 1933, relating to Income Tax and certain other financial matters :—

PART II.

Income Tax.

27.—(1) Income tax for the year 1933-34 shall be charged at the standard rate of five shillings in the pound, and, in the case of an individual whose total income from all sources exceeds two thousand pounds, at such higher rates in respect of the excess over two thousand pounds as Parliament may hereafter determine.

(2) All such enactments as had effect with respect to the income tax charged for the year 1932-33 shall have effect with respect to the income tax charged for the year 1933-34.

SUR-TAX FOR 1932-33.

28.—Income tax for the year 1932-33 shall be charged, in the case of an individual whose total income from all sources exceeded two thousand pounds, at the same higher rates in respect of the excess over two thousand pounds as were charged for the year 1931-32.

AMENDMENTS AS TO PAYMENT OF TAX BY INSTALMENTS.

29.—Section eight of the Finance Act, 1931 (which amended the amount of the instalments payable under sub-section (2) of section one hundred and fifty-seven of the Income Tax Act, 1918), shall cease to have effect as respects tax for the year 1933-34 and subsequent years, and the said sub-section (2) shall have effect as respects tax for those years as it had effect as respects tax for the year 1930-31.

CONTINUANCE OF ALLOWANCE FOR REPAIRS.

30.—(1) Section twenty-eight of the Finance Act, 1923 (which relates to the allowance for repairs and which was continued in force by section twenty of the Finance Act, 1928, until the fifth day of April, nineteen hundred and thirty-three), shall continue in force until the fifth day of April, nineteen hundred and thirty-six.

(2) This section shall be deemed to have had effect as from the sixth day of April, nineteen hundred and thirty-three.

CHARGE OF TAX ON MUTUAL PROFITS.

31.—(1) In the application to any company or society of any provision or rule relating to profits or gains chargeable under Case I. of Schedule D (which relates to trades) or under Rule 4 of the Rules applicable to Case III. of Schedule D (which relates to the profits of certain cattle dealers and milk dealers) any reference to profits or gains shall be deemed to include a reference to a profit or surplus arising from transactions of the company or society with its members which would be included in profits or gains for the purposes of that provision or rule if those transactions were transactions with non-members, and the profit or surplus aforesaid shall be determined for the purposes of that provision or rule on the same principles as those on which profits or gains arising from transactions with non-members would be so determined.

(2) Sub-section (4) of section thirty-nine of the Income Tax Act, 1918 (which exempts certain registered societies from income tax under Schedules C and D), shall cease to have effect.

(3) It is hereby declared that in computing, for the purposes of any provision or rule mentioned in sub-section (1) of this section, any profits or gains of a company or society which include any income which is chargeable to tax by virtue of the foregoing provisions of this section, there are to be deducted as expenses any sums which—

(*a*) represent a discount, rebate, dividend, or bonus granted by the company or society to members or other persons in respect of amounts paid or payable by or to them on account of their transactions with the company or society, being transactions which are taken into account in the said computation ; and

(*b*) are calculated by reference to the said amounts or to the magnitude of the said transactions and not by reference to the amount of any share or interest in the capital of the company or society.

(4) A registered society whose business consists mainly in the making of investments, and the principal part of whose income is derived therefrom, shall be entitled to relief under section thirty-three of the Income Tax Act, 1918 (which relates to relief in respect of expenses of management), in the same manner and to the same extent as if the business of the society were the business of a company.

(5) Where the profits or gains of a company or society include any income which is chargeable to tax by virtue of the provisions of sub-section (1) or sub-section (2) of this section, but is not otherwise chargeable to tax, the following transitional provisions shall have effect :—

(*a*) where the computation of profits or gains is required to be made by reference to any year or period other than the year of assessment, the computation for that year or period shall be made in accordance with the provisions of sub-section (1) of this section, notwithstanding that those provisions were not in force in that year or period or some part thereof ;

(*b*) where a claim is made for a deduction in respect of the wear and tear or replacement of any machinery or plant under Rule 6 or Rule 7 of the Rules applicable to Cases I and II of Schedule D, paragraph (6) of the said Rule 6, and the said Rule 7, shall have effect as if there had been allowed, for all years of assessment prior to the year 1933-34, all such deductions for wear and tear (but not including any additional allowance under section eighteen of the Finance Act, 1932) as would have been allowable in charging profits or gains which would have been chargeable if sub-sections (1) and (2) of this section had been in force throughout those years ; and, in computing the amount of profits or gains to be charged, no sum shall be deducted (otherwise than under the said Rule 7) in respect of the cost of the renewal or replacement of any machinery or plant exceeding the amount of such cost reduced by the total amount of all such deductions for wear and tear as would have been allowable as aforesaid ;

(*c*) no deduction shall be carried forward from the year 1932-33 under paragraph (3) of the said Rule 6 and no loss, or portion of a loss, which was sustained before the sixth day of April, nineteen hundred and thirty-three, shall be carried forward under or by reference to section thirty-three of the Finance Act, 1926, except so far as the deduction or loss, or portion of a loss, as the case may be, related to transactions any profits or gains from which were chargeable with tax for the said year 1932-33 or previous years.

(6) Where any profits or income of a registered society arising in the year 1933-34 have, by virtue of the provisions of this section, ceased to be exempt from income tax chargeable by deduction and the tax has not been deducted therefrom, an assessment may be made on the society under Case III of Schedule D as if the profits or

income were mentioned in Rule 1 of the Rules applicable to that Case and first arose in the said year.

(7) In this section the expression "company or society" means any incorporated company or society whether incorporated in the United Kingdom or elsewhere, and the expression "registered society" means a society registered under the Industrial and Provident Societies Acts, 1893 to 1928, or under the enactments in force in Northern Ireland known as the Industrial and Provident Societies Acts (Northern Ireland), 1893 to 1929.

PAYMENT OF LOAN AND SHARE INTEREST OF REGISTERED SOCIETIES WITHOUT DEDUCTION OF TAX.

32.—(1) Notwithstanding anything contained in the Income Tax Acts, any share interest or loan interest paid by a registered society shall be paid without deduction of income tax:

Provided that this sub-section—

(*a*) shall not apply to any share interest or loan interest payable to a person whose usual place of abode is not within the United Kingdom; and

(*b*) shall not render improper any such deduction made before the first day of October, nineteen hundred and thirty-three, which would have been a proper deduction if this sub-section had not been enacted.

(2) Any share interest or loan interest paid by a registered society without deduction of income tax shall be chargeable under Case III of Schedule D as if it were mentioned in Rule 1 of the rules applicable to that Case.

(3) Where at any time, by virtue of the last foregoing sub-section, the income of a person from any source becomes chargeable as therein provided not having previously been chargeable by direct assessment on that person, the provisions of paragraph (ii) of the proviso to section thirty of the Finance Act, 1926 (which relates to charge of tax where a person acquires a new source of income in any year of assessment) shall apply as if the source of that income were a new source of income acquired by that person at that time.

(4) Subject as hereinafter provided—

(*a*) a registered society shall be entitled to have the amount of income tax which, but for any relief under this paragraph, it would be liable ultimately to bear for any year of assessment, reduced by a sum representing tax on the amount of share interest or loan interest paid in that year by the society without deduction of tax in accordance with the foregoing provisions of this section; and

(*b*) where due relief under this sub-section cannot be given for any year of assessment in respect of any part of the share interest or loan interest so paid by a society in that year, section nineteen of the Finance Act, 1928 (which relates to allowance for certain purposes of interest payments as losses), shall have effect as if the society had been assessed to tax for that year under Rule 21 of the General Rules in respect of the payment of that part of the share interest or loan interest, and had paid tax under that assessment on the amount of the payment:

Provided that this sub-section shall not apply to any loan interest in respect of or by reference to which a deduction or relief is allowable to the society otherwise than under this sub-section.

(5) Sub-sections (1) and (2) of section forty-one of the Finance Act, 1927 (which relate to the making and determination of claims for certain deductions of tax), shall apply to claims for relief under paragraph (*a*) of the last foregoing sub-section as they apply to claims for deductions of tax and as if the Special Commissioners were the commissioners concerned, and any relief due under the said paragraph (*a*) may be given either by discharge or reduction of any assessment, or by repayment, or by all or any of those means, as the case may require.

(6) On or before the first day of May in each year (commencing with the year nineteen hundred and thirty-four), every registered society shall deliver to the surveyor for the district in which its registered office is situate a return in such form as the Commissioners of Inland Revenue may prescribe, showing—

(*a*) the name and place of residence of every person to whom loan interest (being loan interest to which sub-section (4) of this section applies) amounting to the sum of five pounds or more has been paid by the society in the year of assessment which ended next before the said first day of May; and

(*b*) the amount of such loan interest paid in that year to each of those persons;

and if such a return is not duly made as respects any year of assessment the society shall not be entitled to any relief under this section in respect of any payments of loan interest which it was required to include in the return, and the amount of any relief or allowance which has been given in respect of any such payments may, if not otherwise made good, be assessed under Case VI. of Schedule D and recovered from the society accordingly.

(7) For the purposes of this section—

(*a*) the expression "registered society" has the same meaning as in the last preceding section;

(*b*) the expression "share interest," in relation to a registered society, means any interest, dividend, bonus, or other sum payable to a shareholder of the society by reference to the amount of his holding in the share capital of the society;

(*c*) the expression "loan interest," in relation to a registered society, means any interest payable by the society in respect of any mortgage, loan, loan stock, or deposit;

(*d*) references to the payment of share interest or loan interest shall include references to the crediting of such interest.

POWER TO CARRY FORWARD EXPENSES IN RESPECT OF WHICH RELIEF MAY BE GIVEN UNDER 8 AND 9 GEO. 5, C. 40, SECT. 33.

33.—Where, on a claim for relief under section thirty-three of the Income Tax Act, 1918, made by a company, society, or bank for any year of assessment after the year 1932-33 in respect of the sums disbursed by it as expenses of management (including commissions) for that year, relief is disallowed in respect of the whole or part of those sums by reason only of the provisions of proviso (*a*) to sub-section (1) of the said section, the amount in respect of which relief has been so disallowed may be carried forward and treated for the purpose of the said section as if it had been disbursed as aforesaid for any of the six years of assessment next following:

Provided that relief in respect of an amount so carried forward shall be given for the first year of assessment next following, in so far as relief can be so given in accordance with the provisions of the said section in respect of that amount as well as in respect of the sums actually disbursed as aforesaid for that year, and so far as it cannot be so given, then for the next year of assessment, and so on.

RECOVERY OF SUR-TAX DUE FROM BENEFICIARY UNDER DISCRETIONARY TRUST.

34.—(1) The provisions of this section shall have effect in relation to sur-tax due from any person (in this section referred to as the "beneficiary") to whom, or for whose benefit, any income or any capital may in the discretion of some other person be paid or applied under a trust.

(2) If any sur-tax charged in respect of the income

of the beneficiary is not paid before the expiration of six months from the date when it became due and payable, the Special Commissioners may at any time thereafter, so long as the said sur-tax remains unpaid, cause to be served on the trustees of the trust a notice in writing that the said sur-tax remains unpaid.

(3) Where such a notice as aforesaid is served in accordance with the provisions of this section on the trustees of the trust it shall be the duty of the trustees, as soon as may be, and, if necessary from time to time, to pay the Commissioners of Inland Revenue in or towards satisfaction of the said sur-tax from time to time remaining unpaid any income or capital which, by virtue of any exercise of the discretion under the trust, the beneficiary may become entitled to receive or to have applied for his benefit.

(4) Any payments made out of income by trustees on account of sur-tax in respect of which a notice under this section has been served shall be deemed for all the purposes of the Income Tax Acts to represent income paid to the beneficiary.

(5) Any sum which the trustees are liable to pay by virtue of the provisions of this section shall be recoverable from them as a debt due to the Crown.

(6) Service of any notice under this section may be effected by sending it by post to the person on whom it is to be served by letter addressed to him at his usual or last known place of abode, and, where there are two or more trustees under the trust, the notice shall be deemed to have been validly served upon the trustees if served upon any one of them, but nothing in this section shall render a trustee personally liable for anything done by him in good faith and in ignorance of the fact that such a notice has been served.

PART V.
Miscellaneous and General.

REDUCTION OF STAMP DUTY ON STATEMENTS AS TO CAPITAL OF COMPANIES, &C.

41.—(1) Ten shillings shall be substituted for one pound as the *ad valorem* stamp duty imposed by sections one hundred and twelve and one hundred and thirteen of the Stamp Act, 1891, as extended by section twelve of the Finance Act, 1896, on statements as regards the capital of the companies referred to in those sections.

This sub-section shall have effect as respects the capital of any such company as aforesaid which was registered or otherwise incorporated on or after the twenty-sixth day of April, nineteen hundred and thirty-three, and as respects any increase of capital of any such company which was authorised on or after that date.

(2) Ten shillings shall be substituted for one pound as the *ad valorem* stamp duty imposed by section eleven of the Limited Partnerships Act, 1907, on statements as regards the amount contributed by limited partners to limited partnerships.

This sub-section shall have effect as respects any amount or increased amount contributed as aforesaid on or after the twenty-sixth day of April, nineteen hundred and thirty-three.

EFFECT OF NON-COMPLIANCE WITH STAMP LAWS IN CASE OF CERTAIN BILLS OF EXCHANGE.

42.—Notwithstanding any enactment to the contrary, a bill of exchange which is presented for acceptance, or accepted, or payable, outside the United Kingdom shall not be invalid by reason only that it is not stamped in accordance with the law for the time being in force relating to stamp duties, and any such bill of exchange which is unstamped or not properly stamped may be received in evidence on payment of the proper duty and penalties as provided by section fourteen and sub-section (1) of section fifteen of the Stamp Act, 1891.

REDUCTION OF RATE OF INTEREST ON DEATH DUTIES.

43.—(1) Section thirty of the Finance Act, 1919 (which amended section eighteen of the Finance Act, 1896, by increasing the rate of interest on death duties from three to four per cent. per annum), shall cease to have effect except as respects interest accruing due before the twenty-sixth day of April, nineteen hundred and thirty-three, and the said section eighteen shall have effect as originally enacted as respects interest accruing due on or after that date.

(2) Sub-section (3) of section seventeen of the Law of Property Act, 1925, and sub-section (6) of section seventy-three of the Land Registration Act, 1925, shall have effect, as respects interest accruing due on or after the said date, as if for the words "four pounds" three were substituted the words "three pounds."

REDUCTION OF RATE OF INTEREST ON EXCESS PROFITS DUTY.

44. Sub-section (4) of section thirty-four of the Finance Act, 1922 (which provides for the charging of interest at the rate of four and a half per cent. per annum on excess profits duty), shall, as respects interest accruing due on or after the twenty-sixth day of April, nineteen hundred and thirty-three, have effect as if for the words "four and a half per cent." there were substituted the words "three per cent."

EIGHTH SCHEDULE.
Enactments Repealed.

Session and Chapter.	Short Title.	Extent of Repeal.
43 & 44 Vic. c. 24.	The Spirits Act, 1880.	Sub-section (4) of section ninety-five.
7 & 8 Geo. 5. c. 31.	The Finance Act, 1917.	Section thirty-two.
8 & 9 Geo. 5. c. 40.	The Income Tax Act, 1918.	Sub-section (4) of section thirty-nine.
11 & 12 Geo. 5 c. 47.	The Safeguarding of Industries Act, 1921.	Section ten.
15 & 16 Geo. 5. c. 36.	The Finance Act, 1925.	Section ten.
17 & 18 Geo. 5. c. 10.	The Finance Act, 1927.	Sub-section (1) of section eight and Part I of the Third Schedule.
18 & 19 Geo. 5. c. 17.	The Finance Act, 1928.	Section thirteen, as from the first day of January, nineteen hundred and thirty-four.
21 & 22 Geo. 5. c. 28.	The Finance Act, 1931.	Section three, as from the first day of January, nineteen hundred and thirty-four; section eight.
22 & 23 Geo. 5. c. 8.	The Import Duties Act, 1932.	Sub-section (4) of section four; sections six, seven and seventeen and the Third Schedule.
22 & 23 Geo. 5. c. 25.	The Finance Act, 1932.	Sub-section (4) of section twenty-eight.
22 & 23 Geo. 5. c. 53.	The Ottawa Agreements Act, 1932.	Sub-section (7) of section two.

Society of Incorporated Accountants and Auditors.

South African (Western) Branch, Cape Town.

The seventh annual meeting was held at Cape Town on June 2nd.

The Chairman, Mr. C. D. Gibson, in moving the adoption of the report, referred to his own election by the Committee to succeed Sir Harry Hands as Chairman of the Branch. This had necessitated his resignation from the office of Honorary Secretary, which had been filled by the appointment of Mr. H. Hyslop.

The dinner and presentation to Sir Harry Hands on June 28th, 1932, had been a marked success, and showed the real esteem and affection held by members towards the guest of the evening.

During the year nine candidates were elected as Associates of the Society and four Associates were advanced to Fellowship. Twenty candidates sat for the Final examination, of whom seven passed, and 21 for the Intermediate, of whom ten passed. The percentage of passes was still lower than that of the Northern and Eastern Branches. He ascribed this partly to the fact that some candidates had no adequate facilities for study in their district. He congratulated Mr. W. D. Bramwell, of Durban, on being bracketed with Mr. F. J. Riches, of Norwich, for the First Certificate of Merit and on being awarded a Gold Medal, and Mr. G. H. Surtees, of Bloemfontein, on obtaining a Second Certificate of Merit in the Final examination in November, 1932.

Mr. H. B. George had resigned from the Committee on appointment as Provincial Auditor of Natal, and Mr. K. C. M. Hands had been elected to fill the vacancy until the annual meeting.

An arrangement for closer co-operation between the South African Societies and the Branches of the Society of Incorporated Accountants had been concluded at a conference held in Cape Town in October, 1932. The South African (Western) Branch was represented by the Chairman and Mr. D. H. Pulker.

A gift of £100 had been made to the Debenture Redemption Fund. He was sure the members would approve of this small contribution towards their magnificent headquarters in London.

He wished again to draw their attention to the excellent work that was being done through the Benevolent Fund, and commended the Fund to every member for hearty support.

The question of forming a Students' Society had often been mooted. He was glad to say that a Students' Society had now been formed and was actually functioning.

He thanked his colleagues on the Committee for their support during the past year, and especially Mr. D. H. Pulker for his efforts in connection with the Conference.

The Chairman announced that no nominations had been received for members of the Committee. He accordingly declared Mr. P. L. Close, Mr. A. S. Hooper and Mr. A. S. Leith elected for three years, Mr. C. D. Gibson for two years, and Mr. K. C. M. Hands for one year. Mr. H. J. Notcutt was re-elected as Auditor.

The meeting concluded with a vote of thanks to Mr. C. D. Gibson and Mr. D. H. Pulker, the delegates to the Conference with the South African Societies, for the valuable work they had done with regard to future policy in South Africa.

Society of Incorporated Accountants in Ireland.

Annual Report.

The Council has pleasure in submitting to the members its thirtieth annual report for the year ended March 31st, 1933.

MEMBERSHIP.

The total number of members at March 31st, 1933, was 152, consisting of 45 Fellows and 107 Associates. There were also 182 Student members.

EXAMINATIONS.

The number of candidates who presented themselves for examination at the Dublin and Belfast Centres in May and November, 1932, was 95, as compared with 89 in the previous year. Of this number, 40 were successful, 5 in the Final, 16 in the Intermediate, and 19 in the Preliminary. These results are again very disappointing, particularly having regard to the facilities now available to candidates. The Council is giving further consideration to this matter.

The Students' Sections in Dublin and Belfast have shown themselves to be very active, and the lectures and discussions which took place during the winter months were well attended.

The Council desires to place on record its thanks to the lecturers who, from time to time, have been good enough to assist the Society in this particular section of its activities.

NEW HEADQUARTERS IN BELFAST.

The Belfast and District Society has acquired a new Meeting Room and Library at Coates' Buildings, Castle Street, and they were formally opened on December 16th, 1932, by Mr. E. Cassleton Elliott, President of the Parent Society. The premises are well furnished and equipped, and should prove a decided benefit to the members and students in and near Belfast.

ANNUAL DINNER.

The Belfast and District Society held their annual dinner on December 16th, 1932, when the President, Mr. D. Tilfourd Boyd, B.Sc. (Com.), presided over a large company of members and guests. No annual dinner was held in Dublin, but in accordance with the wish of the Council of the Irish Branch, a subscription of £20 was forwarded to the Lord Mayor of Dublin to be applied by him to such charity or charities as he might think fit.

COMMISSION ON THE REGISTRATION OF SHOPS (I.F.S.).

The Society was invited to give evidence before this Commission, and this was first submitted by way of a general reply to a lengthy questionnaire forwarded to the Council by the Department of Industry and Commerce. At a later date, Mr. R. J. Kidney, Vice-President of the Society, gave oral evidence before the Commission. A large number of various interests, with conflicting points of view, also submitted evidence. The Commission is still sitting, and it will probably be a considerable time before it issues its report.

At the opening session of the Conference of the Institute of Municipal Treasurers and Accountants held at Folkestone last month the President, Mr. D. M. Muir, F.S.A.A., made a presentation of an old silver salver, suitably inscribed, to Mr. Arthur Collins, F.S.A.A., in recognition of his services for seven years as Hon. Secretary of the Institute, which appointment he relinquished in the early part of this year.

The Society of Incorporated Accountants and Auditors.

RESULTS OF EXAMINATIONS, MAY, 1933.

Passed in Final.

Order of Merit.

KENT, STEPHEN JOHN, City Treasurer's Office, Town Hall, Leicester. (*First Certificate of Merit and First Prize.*)

CORNES, BERNARD CHARLES, Clerk to Brown, Peet & Tilly, 37 and 38, Mark Lane, London, E.C.3. (*Second Certificate of Merit and Second Prize.*)

PARAMOUR, JOSEPH RICHARD, Clerk to Saffery, Sons & Co., 200, Gresham House, Old Broad Street, London, E.C.2. (*Third Certificate of Merit and Third Prize.*)

MANNING, HERBERT ARTHUR, Clerk to Mellors, Basden & Co., Portland House, 73, Basinghall Street, London, E.C.2. (*Fourth Certificate of Merit.*)

ECHART, HENRY GEORGE, Treasurer and Accountant, Rickmansworth Urban District Council, Rickmansworth, Herts. (*Fifth Certificate of Merit.*)

WHITING, STANLEY PITTAM, Borough Treasurer's Department, Town Hall, Scarborough. (*Sixth Certificate of Merit.*)

ELLIOTT, HENRY ROBERT, Clerk to Carpenter, Box & Co., Liverpool Chambers, Worthing. (*Seventh Certificate of Merit.*)

Alphabetical Order.

ABBOTT, KEITH ALEXANDER, Clerk to Woolley & Waldron, Blue Peter House, 8 and 10, Portland Terrace, Southampton.

ARMES, CYRIL PATRICK, Clerk to Black, Geoghegan & Till, Orient House, 21, Budge Row, London, E.C.4.

AUSTIN, JOHN KENNETH, Clerk to W. G. Lithgow, Bank Chambers, 413, Lord Street, Southport.

BAINES, CHARLES KENNETH, Treasurer's Department, Lancashire County Council, County Offices, Preston.

BAKER, GEORGE ALFRED, Clerk to F. V. Arnold (Carpenter, Arnold & Turner), Midland Bank Chambers, 153, North Street, Brighton.

BARBER, EDWARD CECIL, Clerk to Crane, Houghton & Crane, 30A and 31, St. Paul's Churchyard, London, E.C.4.

BARNET, JOHN HOWARD, Clerk to A. E. Middleton (Cole, Dickin & Hills), 18, Essex Street, London, W.C.2.

BELL, HERBERT, Borough Treasurer's Department, Town Hall, Stockport.

BELL, MERVYN, Clerk to J. A. Kinnear & Co., Provincial Bank Chambers, 3 and 4, College Street, Dublin, C.5.

BENTHAM, FRANK, Clerk to Burton & Disley, Tower Chambers, 29, Brown Street, Manchester, 2.

BHAVNAGRI, RATANJI NOWROJI, B.A., LL.B., formerly Clerk to Sorab S. Engineer & Co., Morarbhoy Buildings, 45, Apollo Street, Fort, Bombay.

BIRKETT, SIDNEY JAMES, Clerk to Chantry, Button & Co., Africa House, Kingsway, London, W.C.2.

BLACKMAN, JOHN WILLIAM GEORGE, Clerk to R. T. Warwick (W. T. Walton & Son), Marlow House, Lloyds Avenue, London, E.C.3.

BLACKWOOD, WILLIAM STEPHEN, Clerk to Price, Waterhouse & Co., 3, Frederick's Place, Old Jewry, London, E.C.2.

BOMAN, ERNEST ARTHUR, Clerk to F. E. Hatfield (Hatfield, Dixon & Co.), 37, Walbrook, London, E.C.4.

BOULTON, KENNETH, Clerk to Harry Cunningham & Co., King's Chambers, Angel Street, Sheffield, 1.

BRIGHTMAN, WALTER POWELL, Clerk to W. T. Bell, Wilkinson & Foden, Chancery Chambers, 55, Brown Street, Manchester, 2.

BRISTOW, KENNETH JOHN, Clerk to William A. Nixon (A. Nixon, Son & Turner), 31-48, Victoria Buildings, St. Mary's Gate, Manchester.

BROWN, ROBERT, Clerk to James Boyd & Co., 2, Wellington Place, Belfast.

BROWNRIDGE, DONALD WILSON, Clerk to Victor Walton, 26-27, Bond Street, Leeds, 1.

BUFFETT, WILLIAM JOHN, Clerk to D. H. Husband, Adelaide House, Adelaide Street, Cardiff.

BURDEN, LESLIE ARTHUR, Clerk to W. M. Bayliss, Sons & Co., 16, Broad Street, Oxford.

BURRIDGE, ERNEST EDWARD (Brooke Smith, Burridge & Co.), London and Lancashire Building, 44, Corn Street, Bristol, 1, Practising Accountant.

BURROWS, WILLIAM, Clerk to F. R. Lonsdale, 30, Willow Street, Accrington.

CAWTHRA, SIDNEY STEAD, City Treasurer's Department, Town Hall, Bradford.

CHALMERS, ALEXANDER, Clerk to J. Needham & Co., 8, York Street, Manchester, 2.

CLEGG, JOHN HEMINGWAY, Clerk to T. G. N. Hollings (Hollings, Crowe, Storr & Co.), 39, Park Square, Leeds.

CLISSOLD, ALEXANDER DOUGLAS, Clerk to J. F. Mallabar & Co., British Colombia House, 1, Regent Street, Waterloo Place, London, S.W.1.

COLBECK, CYRIL, Clerk to J. H. Alexander, City Chambers, Leeds.

COLLINGE, VERNON HARCOURT, Clerk to J. H. Lord & Co., Martins Bank Buildings, Bacup.

COLLINSON, ROBERT TUXWORTH, Clerk to Barron & Barron, 1, Minster Gates, York.

CONDY, STEPHEN CHARLES, Clerk to Edgar C. Condy (E. C. Condy & Co.), 15, Princess Square, Plymouth.

COWLEY, THOMAS RONALD, Clerk to B. Sugden, St. Georges Chambers, Athol Street, Douglas, I.O.M.

CRICK, STEPHEN LESLIE, formerly Clerk to Woodington, Bubb & Co., 5, Philpot Lane, London, E.C.3.

CROSSEY, MARK (E. J. Dowdall & Shaw), 5, Donegall Square South, Belfast, Practising Accountant.

DANIELS, ARTHUR EVANS, City Treasurer's Office, Exchange Buildings, Cheapside, Nottingham.

DAVIES, EDWIN GEORGE, Borough Treasurer's Office, Town Hall, Wallasey.

DAWRANT, KENNETH, Clerk to Armitage & Norton, Somerset House, Halifax.

DENT, SYDNEY, Clerk to Ford & Rimington, 59, Wellington Road South, Stockport.

DENTON, ERIC, Clerk to Litton, Pownall, Blakey & Higson, 42, Spring Gardens, Manchester, 2.

DIXON, REGINALD ERRINGTON, Borough Treasurer's Department, Borough Buildings, Hartlepool.

EPSTEIN, BENJAMIN, Clerk to Broads, Paterson & Co., 1, Walbrook, London, E.C.4.

EVELEIGH, PHILIP ALFRED, Clerk to C. E. C. Nicholls (C. E. C. Nicholls & Co.), Avenue House, The Avenue, Eastbourne.

FARRAR, GEORGE, Finance Department, Ministry of Labour, Montagu House, Whitehall, London, S.W.1.

FERNS, HERBERT LOUIS, Clerk to Price, Waterhouse & Co., 47, Avenue de l'Opéra, Paris (2).

FIELDEN, HERBERT SKELTON, Accountant's Department, Buckinghamshire County Council, County Offices, Aylesbury.

FINAL—(*Continued*).

FLOWERS, JOHN ALFRED, Clerk to Goldie, Campbell & Robins, Bank Chambers, Lowgate, Hull.

FOX, REGINALD HERBERT, Clerk to F. Roberts & Co., 15, Guildhall Road, Northampton.

FRANCKS, ROYDEN HARRY, Clerk to A. Sharp (Alfred G. Deacon & Co.), National Chambers, 4, Horsefair Street, Leicester.

GOULD, ERNEST, Clerk to Baxter, Bennett, Bowyer & Co., Bath House, 57-60, Holborn Viaduct, London, E.C.1.

GREENACRE, HOWARD JOHN HENRY, Clerk to Gardiner, Hunter & Co., 40-41, Old Broad Street, London, E.C.2.

GREENHILL, BASIL WILLIAM, Clerk to Norton, Slade & Co., 502, Salisbury House, London Wall, London, E.C.2.

GRIFFITHS, NORMAN, Clerk to T. Hague Sutton (E. B. Griffiths & Co.), 152, Lord Street, Southport.

HAIGH, FRED MARSDEN, Clerk to T. N. Steel (T. N. Steel & Co.), Union Bank Chambers, Market Place, Huddersfield.

HAMMOND, HENRY HAVELOCK, Clerk to Cole, Dickin, Lewis & Co., 22, St. Andrew's Street, Cambridge.

HAMPSHIRE, JOSEPH LEONARD, County Accountant's Department, Kent County Council, Sessions House, Maidstone.

HARDIE, REGINALD, Clerk to Parkinson, Mather & Co., 5, Clarence Street, Albert Square, Manchester, 2.

HARRISON, GEORGE PHILIP, Clerk to C. G. Compton (Stephenson, Smart & Co.), The Broadway, St. Ives, Hunts.

HAWORTH, THOMAS RICHARD GRENVILLE, Clerk to T. Greenhalgh & Co., Clifton Chambers, 23A, Clifton Street, Blackpool.

HAYDON, GEORGE FREDERICK, Clerk to Cyril H. Temple (Temple, Gothard & Co.), 7-8, Norfolk Street, Strand, London, W.C.2.

HEWITT, ALGERNON TREVOR, Clerk to Lord, Foster & Co., 37, Walbrook, London, E.C.4.

HIBBS, JOHN THOMAS, Clerk to J. Nicholson, 185, High Street, Lincoln.

HIGGS, GEORGE WILLIAM, Clerk to Crew, Turnbull & Co., 4, Dove Court, Old Jewry, London, E.C.2.

HILL, DONALD BURNETT, Clerk to R. G. Storey (Storey, Hill & Co.), 8, Oxford Chambers, 12, St. Stephens Street, Bristol, 1.

HILLIER, SYDNEY JAMES, Clerk to Edward Myers, Clark & Co., 7-8, Norfolk Street, Strand, London, W.C.2.

HINCHLIFFE, VINCENT IRVING, Clerk to Alton Ward (W. A. Turner & Co.), Martins Bank Chambers, 25, Sunbridge Road, Bradford.

HITCHINGS, ALAN STUART, Clerk to Dixon, Wilson, Tubbs & Gillett, 24, Basinghall Street, London, E.C.2.

HUGHES, PERCY FREDERICK, Clerk to Henry Gee, Martins Bank Chambers, Euston Road, Morecambe and Heysham.

HUTCHINSON, EDWARD GUY, Audit Department, Co-operative Wholesale Society, Limited, 84, Westmorland Road, Newcastle-upon-Tyne.

INGAMELLS, HARRY, Clerk to H. Slater & Son, Sussex House, Hobson Street, Cambridge.

JOBSON, ARTHUR WILLIAM, Clerk to Walter E. Lambert (Walter E. Lambert & Co.), 18, Charing Cross Road, London, W.C.2.

JONES, CYRIL THOMAS, Clerk to Cozens, Bate & Co., Carlton Chambers, Baldwin Street, Bristol, 1.

JONES, WILFRED THOMAS, Clerk to Sydney S. Sara (J. W. B. Brown, Sara & Hill), Prudential Buildings, Corporation Street, Birmingham.

JORDAN, ROBERT THOMAS, Clerk to Herbert Sharp, 38, Blackfriars Street, Manchester, 3.

KEMP, JOHN PHILIP, Clerk to N. B. Hart (Stephenson, Smart & Co.), Barclays Bank Chambers, 81, High Street, Scunthorpe.

KEVILL, PETER, Clerk to Clarke, Clarkson & Howarth, 14, Winckley Square, Preston.

KEYS, FRED, Clerk to H. Slater & Son, Sussex House, Hobson Street, Cambridge.

KIRKBY, HORACE, Clerk to H. Mitchell Firth (Firth, Parish & Clarke), 32A, Market Street, Bradford.

KNIGHT, CHARLES ERIC, Finance Department, Surrey County Council, County Hall, Kingston-on-Thames.

LANGFORD, EDWARD HENRY, Clerk to E. Cassleton Elliott (Cassleton Elliott & Co.), 4-6, Throgmorton Avenue, London, E.C.2.

LAUGHEY, ALBERT FRANCIS, Clerk to S. E. Crowe (Hollings, Crowe, Storr & Co.), Central Chambers, Manor Square, Otley.

LAWLER, JOHN JOSEPH, Clerk to Bretherton, Hurst & Co., May Buildings, 51, North John Street, Liverpool.

LIBSON, NYMAN, Clerk to H. Rose (Philip E. Farr, Rose & Co.), Bassishaw House, 70A, Basinghall Street, London, E.C.2.

MCKEOWN, ARTHUR, Clerk to S. B. I. Abbott & Co., Bedford Buildings, 7, Bedford Street, Belfast.

MADDOX, DAVID RUTHVEN, Clerk to J. Dix Lewis, Cæsar & Co., 6, Portland Street, Southampton.

MARTIN, ALBERT VICTOR, Deputy Accountant, Coulsdon and Purley Urban District Council, Council Offices, Purley, Surrey.

MAYHEW, HENRY JOHN, Clerk to Laurence, Hann & Best, Finsbury Pavement House, 120, Moorgate, London, E.C.2.

MISTRI, MANEKSHAW PIROSHA, B.A., formerly Clerk to S. B. Billimoria & Co., 113, Esplanade Road, Fort, Bombay.

MOORE, WILLIAM STUART, Clerk to James Malcolm & Co., 2, Garfield Chambers, 44, Royal Avenue, Belfast.

MORGAN, WILLIAM PERCIVAL, Clerk to Ashmole, Edwards & Goskar, Cornhill Chambers, Christina Street, Swansea.

NAYLOR, HAROLD, Clerk to Camm, Metcalfe & Co., Town Hall Chambers, Fargate, Sheffield.

NEASON, HAROLD ALFRED, City Treasurer's Office, The Council House, Coventry.

NORFOLK, BERNARD ALOYSIUS, Clerk to N. K. Silver (Cassleton Elliott & Co.), 4-6, Throgmorton Avenue, London, E.C.2.

OGDEN, AGNEW GEORGE, Clerk to P. W. Stirk (Jacques & Stirk), 9, Henry Street, Keighley.

OLDLAND, FREDERICK LANGRIDGE, Clerk to A. E. Middleton (Cole, Dickin & Hills), 18, Essex Street, Strand, London, W.C.2.

OLSON, ERNEST JOHN, Clerk to W. E. Fitzhugh (W. McIntosh White & Co.), Finsbury Pavement House, 120, Moorgate, London, E.C.2.

PAINE, CYRIL, Clerk to Charles C. Lyon (Edward Blinkhorn, Lyon & Co.), 69, Leadenhall Street, London, E.C.3.

PARKIN, THOMAS HAROLD, Clerk to A. S. & A. E. Evershed, 49 and 50, High Street, Guildford.

PARLETT, STANLEY CHARLES, Clerk to H. Harper Smith (Harper Smiths), 30, London Street, Norwich.

PATTER, BERNARD, Clerk to A. J. S. Pratt (Howard, Morris & Crocker), 102, Victoria Road N., Southsea.

PAYNTER, ALICE MARY, Clerk to S. Grave Morris (Spence, Paynter & Morris), 6, Wardrobe Place, Doctors' Commons, London, E.C.4.

FINAL—(*Continued*).

PEDLEY, ALBERT, Clerk to A. Thomas Keens (Keens, Shay, Keens & Co.), Bilbao House, New Broad Street, London, E.C.2.

PICKEN, GORDON WEST, Clerk to Leonard Ross (Gwynne & Ross), Walker Street Chambers, Wellington, Shropshire.

PINNER, HUGH GEORGE, Clerk to A. P. Smith & Co., 3, York Street, Manchester.

POTTER, ERNEST FRANK, Clerk to Alfred G. Deacon & Co., National Chambers, 4, Horsefair Street, Leicester.

POWELL, CLEDWYN LLOYD, Clerk to Ashmole, Edwards & Goskar, Cornhill Chambers, Christina Street, Swansea.

PRICE, RICHARD NEWMAN, Clerk to G. H. Lewis (Cole, Dickin, Lewis & Co.), 22, St. Andrew's Street, Cambridge.

PURSLOW, JOHN HAYDN, Clerk to Percy Cozens (Ridsdale, Cozens & Co.), Midland Bank Chambers, Bridge Street, Walsall.

RABJOHNS, PHILIP DAVID, Clerk to C. N. Rowe, 35, Foregate Street, Worcester.

RAO, AVASARALA SESHAGIRI, M.A., formerly Clerk to M. K. Dandeker & Co., 8, Sunkarama Chetty Street, George Town, Madras.

REANEY, NORMAN ROBERT, Clerk to A. Cropp Hawkins & Co., Portland House, Church Street, Stoke-on-Trent.

REVILL, CHARLES FREDERICK, Clerk to Sidney W. Revill & Co., 4-5, Warwick Court, Gray's Inn, London, W.C.1.

RICHARDSON, JOHN NICHOL, Clerk to A. J. Ingram (A. J. Ingram & Co.), Central Buildings, West Sunniside, Sunderland.

RIDSDALE, JOHN HERBERT, Clerk to John Gray (Percy Mason & Co.), 64, Gresham Street, London, E.C.2.

RIMINGTON, THOMAS GEOFFREY, Clerk to T. Rimington & Co., 8, Horsefair Street, Leicester.

ROBERTS, ROBERT KENNETH, Clerk to Murray E. J. Pearce (Wheatley, Pearce & Co.), 102, High Street, Poole.

ROBINS, CLIFFORD SMITH, Clerk to Bland & Fielden, 11, Sir Isaac's Walk, Colchester.

ROBINSON, EVANS CAPELL, Clerk to L. E. Stewart (L. E. Stewart, Waters & Co.), 22, Marefair, Northampton.

ROUND, NORMAN, Clerk to Cooper-Parry, Hall, Doughty & Co., 102, Friar Gate, Derby.

SALTER, FRANK GILBERT, formerly Clerk to C. S. Lashmore & Co., 2, Church Street, Cardiff.

SCOTT, THOMAS STEWART, Clerk to R. D. Munro & Co., 20 and 21, Lawrence Lane, Cheapside, London, E.C.2.

SEARE, HENRY SHEPARD, Clerk to H. J. Bicker (Edward Bicker & Son), Exchange Buildings, Upper Hinton Road, Bournemouth.

SEARLE, WILLIAM RONALD VYVYAN, Clerk to F. W. E. Morgan (Morgan Brothers & Co.), Capel House, 54, New Broad Street, London, E.C.2.

SHAW, HAROLD, Clerk to Ernest Carter, County Chambers, King Street, Wakefield.

SIM, KENNETH GORDON, Clerk to A. H. Friend (Friend, Ellis & Co.), 44, Chepstow Road, Newport, Mon.

SMART, JOHN FREDERICK, Clerk to E. Harlow & Co., Grosvenor Chambers, 23, King Street, Nottingham.

SMEED, REGINALD RODWAY, Clerk to Edward Carr, 8, York Street, Manchester, 2.

SNELGROVE, WILFRED, Clerk to Alfred E. Pugh, Carlton Chambers, Newport, Mon.

SPENCER, WILFRED JOHN, Clerk to James Boyd & Co., 48A, High Street, Portadown.

SPICER, GEORGE WILLIAM LAWRENCE, Clerk to William Strachan (Martin, Farlow & Co.), 34 and 36, Gresham Street, London, E.C.2.

SPREADBURY, EDGAR MESSENGER, Clerk to Wyer & Chivers, 143, London Road, North End, Portsmouth.

STANSFIELD, FRANK, Clerk to Percival Clarkson (Clarke, Clarkson & Howarth), 14, Winckley Square, Preston.

STEWART, STANLEY CHARLES, Clerk to Howard, Howes & Co., Norfolk House, Norfolk Street, London, W.C.2.

STOREY, WILLIAM ERNEST, formerly Clerk to Culley & Co., 5, Bank Plain, Norwich.

TALATI, BEJONJI BURJORJI, B.Com., formerly Clerk to S. R. Batliboi & Co., 1B, Old Post Office Street, Calcutta.

TARR, STANLEY THOMAS HOOKWAY, Clerk to Ker, Jones & Co., 7, Castle Street, Bridgwater.

TAYLOR, FRANK, Clerk to R. H. B. Heap, Royal Chambers, Upper Piccadilly, Bradford.

TAYLOR, JOSEPH BENJAMIN, Clerk to G. H. Ingham (Rushworth & Ingham), 15, Kirkgate, Bradford.

THAYER, CHARLES DUDLEY, Clerk to Langton & MacConnal, 22, Lord Street, Liverpool, 2.

THICK, JOHN DOUGLAS, Clerk to Ernest Francis & Son, 172, Friar Street, Reading.

THOMPSON, JOSEPH WILLIAM (Allan, Bradley & Thompson), 21, Henry Street, Keighley, Practising Accountant.

THOMPSON, ROBERT WILLIAM ALAN, Clerk to Thomas Bell, Greys Buildings, 53, Grey Street, Newcastle-upon-Tyne.

THORNTON, JAMES, Clerk to Clarke, Clarkson & Howarth, 14, Winckley Square, Preston.

TORDOFF, GEOFFREY, Clerk to Arthur J. Naylor (Starkie & Naylor), Greek Street Chambers, Leeds.

TUCKER, PERCIVAL JAMES, Clerk to Ker, Jones & Co., 7, Castle Street, Bridgwater.

TURNER, HENRY MOORE, formerly Clerk to Newman, Ogle, Ashworth & Bevan, Spencer House, South Place, London, E.C.2.

VOOGHT, ARTHUR LEWIS GEORGE, Clerk to W. McIntosh Whyte (W. McIntosh Whyte & Co.), Finsbury Pavement House, 120, Moorgate, London, E.C.2.

WALLIS, EDWARD GEORGE, Clerk to Oldham, Holland & Co., 17, Coleman Street, London, E.C.2.

WALTON, JOHN WILLIAM, Clerk to T. G. Green, 37, Saddler Street, Durham.

WATKINS, GEORGE HENRY, Clerk to Kenrick Morgan, National Provincial Bank Chambers, Rutland Road, Skegness, Lincs.

WATSON, ELEANOR MARY, Clerk to J. Durie Kerr, Watson & Co., 5, Waterloo Street, Birmingham.

WEBSTER, WALTER, Clerk to Squire Garner (Willett, Son & Garner), 1, Cooper Street, Manchester, 2.

WELLACOTT, JOHN HOWE BABER, Clerk to Kingston, Smith & Co., 110, Cannon Street, London, E.C.4.

WHITEMAN, VICTOR, Clerk to Bourner, Bullock & Co., 36, Derby Street, Leek, Staffs.

WHITWELL, WILLIAM EDWARD, Clerk to R. O. Naylor, Lloyds Bank Chambers, Finkle Street, Kendal.

WIGGIN, ARTHUR LESLIE, Clerk to Edward I. Law (A. & E. Law & Co.), Kingscourt, Bridge Street, Walsall, Staffs.

WILD, FRANK, County Accountant's Department, Kent County Council, Sessions House, Maidstone.

WILD, JAMES, Clerk to R. Horsefield, 8, Peter Street, Manchester.

WILLIAMS, HAYDN, Clerk to E. Claude Jones, 6, Park Grove, Cardiff.

FINAL—(*Continued*).

WILLSON, RONALD BOAZ, Clerk to J. F. Chapman (W. T. Walton & Son), 3/7, Scarborough Street, West Hartlepool.

WILSON, EDWARD ARTHUR, Clerk to George Cobley & Co., 33, Henrietta Street, Covent Garden, London, W.C.2.

WILSON, GEORGE EDMUND, Clerk to John Naylor, 19, Richmond Terrace, Blackburn.

WITTY, FREDERICK RICHARD, Clerk to Richard A. Witty (Button, Stevens & Witty), 6, Dowgate Hill, Cannon Street, London, E.C.4.

YEAXLEE, CEDRIC WELLESLEY, Clerk to Cooper & Cooper, 49, Eastcheap, London, E.C.3.

SUMMARY :—

7	*Candidates awarded Honours.*
164	*Candidates passed.*
185	*Candidates failed.*
356	Total.

Passed in Intermediate.

Order of Merit.

VINCENT, ALBERT VINCENT, Borough Treasurer's Department, Town Hall, Wolverhampton. (*First Place Certificate and First Prize.*)

CHILDS, DUDLEY, Borough Treasurer's Department, Town Hall, Torquay. (*Second Place Certificate and Second Prize.*)

PRINCE, EDWIN STANLEY, Clerk to Cooper-Parry, Hall, Doughty & Co., 102, Friar Gate, Derby. (*Third Place Certificate.*)

WALTERS, ARTHUR PAUL GOTH, Clerk to Trevor Davies (Trevor Davies, Gantner & Co.), 5, Great Winchester Street, London Wall, London, E.C.2. (*Fourth Place Certificate.*)

GADSDEN, JOHN HENRY, Clerk to F. Rowland & Co., Finsbury Chambers, 76, Finsbury Pavement, London, E.C.2. (*Fifth Place Certificate.*)

BENNION, EDWARD, County Accountant's Department, Kent County Council, Sessions House, Maidstone. (*Sixth Place Certificate.*)

SIGWART, GEORGE VINCENT, Clerk to D. H. Jelley (Kilby & Fox), Drury Chambers, Market Square, Northampton. (*Seventh Place Certificate.*)

TYLER, FRANK ANDREW, Clerk to W. L. Tuck (Trevor Davies, Tuck & Co.), 100, High Street, Camden Town, London, N.W.1. (*Eighth Place Certificate.*)

HILL, JOHN ROLAND, Finance Department, Surrey County Council, County Hall, Kingston-on-Thames. (*Ninth Place Certificate.*)

Alphabetical Order.

AHMAD, SYED, Clerk to Herbert G. Clarke (Muir, Moody & Co.), 20, Newgate Street, London, E.C.1.

AINSLIE, DONALD, Clerk to P. & J. Kevan, 12, Acresfield, Bolton.

ALBURY, ROY DAVID JAMES, Clerk to G. E. McCanlis (G. E. McCanlis & Co.), Oxford House, 9-15, Oxford Street, London, W.1.

ALLEN, JOSEPH CHARLES, Clerk to F. England (Crinkley & Co.), 12, Bow Lane, London, E.C.4.

ANDERSON, LESLIE FRANCIS, Clerk to George S. Pitt, Jnr. (Bolton, Pitt & Breden), 27, Clement's Lane, Lombard Street, London, E.C.3.

ARMITAGE, GEOFFREY LLOYD, Clerk to Ernest B. Shaw, Imperial Chambers, 43, New Street, Huddersfield.

ATKINSON, GEORGE ARTHUR, Clerk to A. I. C. Forster & Stott, 32, Parliament Street, York.

BAILEY, WILFRID, Borough Treasurer's Office, Town Hall, Wednesbury.

BANERJEE, DHIRENDRA NATH, B.Sc., formerly Clerk to K. S. Aiyar & Co., 49, Apollo Street, Fort, Bombay.

BANKS, CHARLES ROBERT, Clerk to Cole, Bond & Co., 90, Cannon Street, London, E.C.4.

BANKS, ERNEST RIDLEY, Clerk to R. H. Edwards (Joseph Carr, McCracken & Co.), Bank Chambers, 26, Mosley Street, Newcastle-upon-Tyne.

BARNDEN, ARTHUR, Clerk to C. Gordon Larking (Larking & Larking), Invicta Chambers, Maidstone.

BARON, GARETH BARLOW, Clerk to T. N. Steel (T. N. Steel & Co.), Union Bank Chambers, Market Place, Huddersfield.

BARRETT, JOHN PERCY, Clerk to F. A. Webber, British Dominions House, St. Augustine's Parade, Bristol.

BAYLEY, HAROLD GEORGE, Clerk to Louis Nicholas & Co., 19, Castle Street, Liverpool, 2.

BEECHEY, ERIC THOMAS, Clerk to H. M. B. Ker (Ker, Jones & Co.), 7, Castle Street, Bridgwater.

BEESLEY, BERTRAM, Clerk to C. E. B. Griffin (Alfred Griffin & Son), Corporation Buildings, Corporation Street, St. Helens.

BOASE, CYRIL, Clerk to Glass & Edwards, 3, Stanley Street, Liverpool, 1.

BOLAM, JAMES NORMAN, Clerk to C. H. Mears (C. H. Mears & Co.), St. Paul's Station Chambers, Queen Victoria Street, London, E.C.4.

BOURNE, CHARLES NORMAN, Clerk to E. George Bourne (E. G. Bourne & Co.), 6, Holborn Viaduct, London, E.C.1.

BOUSTEAD, BASIL GEORGE JOHN, Clerk to Cedric H. Bennett, High Holborn House, London, W.C.1.

BOWLEY, ERIC EDWARD, Clerk to A. J. Carey (Butchart, Carey, Dalman & Co.), 49, Queen Victoria Street, London, E.C.4.

BRADLEY, GEORGE THOMAS NORMAN, Clerk to Armitage & Norton, Station Street Buildings, Huddersfield.

BRISTOW, ROY, Clerk to Cecil A. R. Cook (Cook, Humphrey & Co.), 102A, Terminus Road, Eastbourne.

BRITTON, EDWARD ERIC, Clerk to H. Sharp (Greenhalgh, Sharp & Co.), 30, Brown Street, Manchester.

BROWN, SIDNEY, Clerk to H. Tindall Sherwood & Co., Curry's Chambers, 115, High Street, Stockton-on-Tees.

BURKETT, ALBERT HENRY, Clerk to Peat, Marwick, Mitchell & Co., 11, Ironmonger Lane, London, E.C.2.

BURNHAM, GEOFFREY COWLISHAW, City Accountant's Office, 43, Northgate Street, Chester.

BURY, BOB SPENCER, Clerk to D. G. Price (Duart-Smith, Baker & Price), Albion House, King Street, Gloucester.

CATLEY, CLARE LESLIE, Clerk to Clare Catley, Smith's Chambers, 6, Westborough, Scarborough.

CHAKRAVARTI, BENOYBRATA, formerly Clerk to Batliboi & Purohit, Lindlie Chambers, 6, Hastings Street, Calcutta.

CHAPMAN, JAMES WILLIAM, Clerk to Thomas E. Clarke (Clarke, Attenborough & Co.), Castle Gate Chambers, 34, Castle Gate, Nottingham.

CHARLTON, GEORGE STEWART, Borough Treasurer, Congleton.

CLARKE, REGINALD PHILIP, Treasurer's Department, Dagenham Urban District Council, The Council Offices, Becontree Avenue, Chadwell Heath, Essex.

CLEAVER, SYDNEY CHOON, 37-38, Strand, London, W.C.2, Practising Accountant.

COHN, JULIUS ERIC, Clerk to H. F. White, Guildford Chambers, 1, Butts Court, Guildford Street, Leeds.

INTERMEDIATE—(*Continued*).

COPPOCK, JOHN EDWARD, Clerk to Morgan, Crumpton, Cappleman & Co., Paragon House, Paragon Street, Hull.

CORLESS, ERIC ADCROFT, Clerk to Charles A. Milford (Milford & Co.), 3, Richmond Terrace, Blackburn.

COULSON, WILLIAM RIDDLE, Clerk to H. J. Armstrong (J. W. Armstrong & Sons), Northern Assurance Buildings, 2, Collingwood Street, Newcastle-upon-Tyne.

CROMPTON, FRANK GLEAVE, Clerk to W. E. Nelson (W. E. Nelson & Co.), 22, Lord Street, Liverpool.

CURD, FRANK HENRY, Clerk to C. A. H. Holloway, Bostel House, 37, West Street, Brighton.

DATTA, SUDHANGSHU, B.A., formerly Clerk to H. C. Das & Co., 2/1, Mission Row, Calcutta.

DAVID, OGLEY LEWIS, Clerk to F. Jennings (F. Jennings & Co.), Borough Chambers, Neath.

DAVIES, ERIC JOSEPH, Clerk to Deloitte, Plender, Griffiths & Co., Midland Bank Chambers, 97, Bute Street, Cardiff.

DAVIES, GEORGE ERIC, Clerk to H. Dixon Williams (Francis, Williams & Hollingdale), Burlington Chambers, 23, Union Street, Swansea.

DAVIES, JAMES WALTER, Clerk to J. W. Davidson, Cookson & Co., 6, Castle Street, Liverpool.

DAVIS, LESLIE STUART, Clerk to J. A. McFadzean (J. Cradock Walker & McFadzean), 104, West George Street, Glasgow, C.2.

DAVISON, JOSEPH RONALD, Clerk to Thomas R. Ineson, 24, Vance's Chambers, Cloth Hall Street, Huddersfield.

DAVY, HERBERT ORMOND RENSHAW, Clerk to Whinney, Smith & Whinney, 4B, Frederick's Place, Old Jewry, London, E.C.2.

DAWSON, GEORGE WILLIAM, Clerk to T. W. Scollick (Forster, Scollick & Co.), Pearl Buildings, Northumberland Street, Newcastle-upon-Tyne.

DAWSON, KENNETH CAREY, Clerk to C. N. Walter (C. N. Walter, Lester & Co.), 275, Finsbury Pavement House, London, E.C.2.

DE LONGA, FRANK, Clerk to W. Anderson (W. Anderson & Co.), 81, Dale Street, Liverpool, 2.

DICKINSON, PETER GAVIN, Clerk to Cecil W. Owles (C. W. Owles & Co.), Canberra House, 18-19, Silk Street, London, E.C.2.

DODGE, LESLIE CHARLES, Clerk to A. E. Bradfield (Allnutt, Bradfield & Co.), 17-18, Basinghall Street, London, E.C.2.

DRAKE, RONALD WILLIAM FREDERICK, Clerk to Wilfred G. Milton, Bank Chambers, 329, High Holborn, London, W.C.1.

DUFF, WILLIAM ALEXANDER, Clerk to Williamson & Dunn, 3, West Craibstone Street, Bon-Accord Square, Aberdeen.

DUKE, ERNEST VICTOR, Clerk to Arthur Collins, 20, Abingdon Street, Westminster, London, S.W.1.

DUMONT, BASILE GEORGES, Clerk to C. H. Tolley, Rowlands & Co., 18, Buckingham Street, Adelphi, London, W.C.2.

EDWARDS, GEORGE HENRY VICTOR, Clerk to Crombie, Lacon & Stevens, 34, Waterloo Road, Wolverhampton.

EMMANS, ROBERT JESSE FOLD, Clerk to Baker, Sutton & Co., Eldon Street House, Eldon Street, London, E.C.2.

ENGINEER, KAIKHUSHROO SORABJI, B.Com., formerly Clerk to Sorab S. Engineer & Co., Morarbhoy Buildings, 45, Apollo Street, Fort, Bombay.

EVANS, WILFRED JAMES, Clerk to Eric Friis (Shaw, De Freece & Co.), Palace House, 128-132, Shaftesbury Avenue, London, W.1.

FAIRCLOUGH, JOSEPH AUSTIN, Clerk to H. D. Collins, Westminster Bank Chambers, Lord Street, Southport.

FAZAKERLEY, JAMES SYDNEY, Clerk to J. Butterworth, Borough Treasurer, Town Hall, Wigan.

FISHER, ALFRED CHARLES, Accountant's Department, Metropolitan Water Board, 173, Rosebery Avenue, London, E.C.1.

FOSTER, JOHN, Clerk to Alan Boaler (Boaler & Flint), Bromley House, Angel Row, Nottingham.

FORSTER, STANLEY OSCAR, Clerk to A. C. Storey (J. A. Kinnear & Co.), 3 and 4, College Street, Dublin.

FRITH, WILLIAM DENZIL, Clerk to A. J. H. Shay (Keens, Shay, Keens & Co.), Greenhill Chambers, Harrow, Middlesex.

GEORGE, PHILIP LESLIE, City Treasurer's Office, Town Hall, Sheffield.

GHOSH, PRADYATE NARAIN, B.A., Clerk to Fred P. Barnes (Pix & Barnes), 24, Coleman Street, London, E.C.2.

GILL, THOMAS, Clerk to E. Longbottom (Auker, Horsfield & Co.), Clough's Buildings, 21, Forster Square, Bradford.

GILMORE, JOSEPH FREDERICK, Clerk to Naftel, Rutherford & Marshall, 20, Eastcheap, London, E.C.3.

GRAHAM, DONALD, Clerk to T. E. Williams (E. J. Williams & Co.), Exchange Buildings, 14, Lowther Street, Carlisle.

GRANT, ANTHONY MICHAEL, Clerk to F. R. O'Connor, 10, Westmoreland Street, Dublin, C.4.

GRAY, OWEN WALTER, Clerk to Gane, Jackson, Jefferys & Freeman, 66, Coleman Street, London, E.C.2.

GREEN, ARTHUR, Clerk to A. France (A. France & Co.), West Bar Chambers, Boar Lane, Leeds.

GREGORY, GEOFFREY WILLIAM, Clerk to F. J. Cryer (Peveler & Peveler), 5, Princes Square, Harrogate.

GREGORY, HOWARD PERCIVAL, Clerk to Parsons & Jolliffe Belvoir House, 45, Chepstow Road, Newport, Mon.

HAIGH, MAURICE, Borough Accountant's Office, Barnsley.

HALFORD, JOHN ALLAN READING, Clerk to Frederick H. Ollett (Ollett & Janes), 44, Victoria Street, Paignton.

HALLIDAY, DENIS EVANS, Clerk to Godfrey Craven (Craven & Forster), 42, Deansgate, Manchester.

HART, JOSEPH, Clerk to F. England (Crinkley & Co.), 12, Bow Lane, London, E.C.4.

HATFIELD, GEORGE ERIC, Clerk to Harold W. Locking & Co., Corporation Chambers, Trinity House Lane, Hull.

HAYNES, ALBERT EDWARD, Clerk to Harold Foulston, 5, Leopold Street, Sheffield, 1.

HEANEN, JAMES PATTERSON, Clerk to James Baird & Co., Church Street, Coleraine.

HÉRAUD, CLAUDIUS WILLIAM, City Treasurer's Office, 1, St. Leonard's, York.

HERSON, WILLIAM, Accountant's Department, Town Hall, Matlock.

HEWINES, WILLIAM ALBERT, Clerk to W. J. Dean (Dean & Son), 4, Market Square, Stafford.

HEYS, HAROLD, Borough Treasurer's Department, Town Hall, Bolton.

HILL, PHILIP GRAHAM, Clerk to Joseph Stephenson (Stephenson, Smart & Co.), Queen Street Chambers, Peterborough.

HIRJI-KHORSED, HISTASP SORABJI, B.A., formerly Clerk to Sorab S. Engineer & Co., Morarbhoy Buildings, 45, Apollo Street, Fort, Bombay.

HOLMES, ARTHUR, Clerk to David, Smith, Garnett & Co., 61, Brown Street, Manchester.

INTERMEDIATE—(*Continued*).

HOMEWOOD, DOUGLAS EDWARD, Clerk to Saffery, Sons & Co., 1, Union Crescent, Cecil Square, Margate.

HORROCKS, ALFRED HENRY, Clerk to Ronald Dryden, Yorkshire House, 45, Cross Street, Manchester, 2.

HOWARTH, HORACE LLOYD, Deputy Borough Treasurer, Ilkeston.

HOWARTH, JACK, Clerk to C. M. Merchant & Son, Savings Bank Buildings, Bury, Lancs.

HULME, FRANK, Clerk to Bourner, Bullock & Co., 36, Derby Street, Leek, Staffs.

HYATT, FRANK CHARLES, Clerk to Westacott, Quaife & Co., Gwydir Chambers, 104, High Holborn, London, W.C.1.

ISON, WALTER DOUGLAS, Clerk to A. W. White (Cash, Stone & Co.), 48, Copthall Avenue, London, E.C.2.

IYER, TIRUVISALUR SWAMINATHA RAMACHANDRA, M.A., formerly Clerk to U. K. Upadrasta, 5, Thambuchetty Street, Georgetown, Madras.

JACKSON, HAROLD, Clerk to A. J. Downs & Co., Union Bank Chambers, Riby Square, Grimsby.

JARVIS, LEONARD ALAN, Clerk to Edmonds, Clover & Ackery, 70, Commercial Road, Portsmouth.

JENKINS, HAROLD THOMAS, Clerk to Newman, Biggs & Co., 133, Edmund Street, Birmingham.

JESSOP, FRED MERCER, Clerk to Ransom, Harrison & Lewis, National Provincial Bank Chambers, 11, York Street, Sheffield, 1.

JONES, WALTER GLYNN, Clerk to Neal & Neal, Yorkshire House, 18, Chapel Street, Liverpool, 3.

KACHEL, EDWIN PAUL, Clerk to William Strachan (Martin, Farlow & Co.), 34 and 36, Gresham Street, London, E.C.2.

KEDGE, PERCY JOHN, Clerk to A. W. White (Cash, Stone & Co.), 48, Copthall Avenue, London, E.C.2.

KHARÉ, MADHAV PURUSHOTTAM, B.Sc., formerly Clerk to Dalal & Shah, 49, Apollo Street, Fort, Bombay.

LAMB, WILLIAM JAMES, Clerk to Harmood Banner & Son, 24, North John Street, Liverpool, 2.

LANE, WILFRID ERNEST, Assistant Accountant, Adwick-le-Street Urban District Council, Council Offices, Adwick-le-Street, Doncaster.

LAWRENCE, BARRINGTON SYDNEY, Clerk to W. Paynter (Spence, Paynter & Morris), 6, Wardrobe Place, Doctors' Commons, London, E.C.4.

LAWSON, JOSEPH WALTER, Clerk to H. Davey (H. Davey & Co.), 1, Crown Court, Wakefield.

LEES, ERNEST GEORGE, Clerk to W. B. Keen & Co., 23, Queen Victoria Street, London, E.C.4.

LOCKE, ROLAND, Audit Department, Co-operative Wholesale Society, Limited, Corporation Street, Manchester.

MALOOR, RAMA KRISHNA, B.A., formerly Clerk to R. P. Dalal, Navsari Chambers, Outram Road, Fort, Bombay.

MANN, GEORGE ERNEST, Clerk to W. B. Keen & Co. 23, Queen Victoria Street, London, E.C.4.

MARKHAM, ERIC, Clerk to Herbert E. Harwood, 73 and 75, Albion Street, Leeds.

MARPLES, THEOPHILUS BRIAN, Clerk to A. H. Middleton (Grundy, Middleton & Co.), 1, Brazennose Street, Manchester.

MARSH, GEORGE ERNEST, Clerk to Edward P. Coleman (William C. Tuke & Co.), 38, Walbrook, London, E.C.4.

MARSHALL, RAYMOND GEORGE ROBBINS, Clerk to Arthur B. Watts, 14, St. Andrew's Crescent, Cardiff.

MARSHALL, REGINALD, Clerk to F. L. Kilby, 1, Park Street, Brighouse, Yorks.

MAWBY, ARTHUR WILLIAM, Clerk to Hubbart, Durose & Pain, 18, Low Pavement, Nottingham.

MEAKIN, JAMES, Clerk to Harmood Banner & Son, 24, North John Street, Liverpool.

MELLOR, LAWRENCE EDGAR, Clerk to Thoseby, Son & Co., District Bank Chambers, Market Street, Bradford.

MIDLANE, ALFRED GEORGE BIRD, Clerk to H. J. E. Batchelor, 44, Above Bar, Southampton.

MOBBS, DONALD JACK, Clerk to W. Smith & Co., 56, London Road North, Lowestoft.

MOCKRIDGE, CECIL GEORGE, Clerk to J. Herbert Gittens, 8, The Green, Richmond, Surrey.

MONTAGUE, FRANK MOLDRAM, Clerk to Edwin G. Pulsford, 233, High Street, Poole.

MORRALL, WALTER GEORGE, Clerk to William Lloyd, Priory Buildings, Priory Street, Dudley.

MUNSLOW, FREDERICK WILLIAM, Clerk to W. L. Leech (Cooper-Parry, Hall, Doughty & Co.), 102, Friar Gate, Derby.

NATH, GOBIND RAM, B.A., Clerk to W. L. Hickes, 6, Jewry Street, London, E.C.3.

NEAL, WALTER EDWIN, Clerk to Binder, Hamlyn & Co., River Place House, 12 and 13, South Place, London, E.C.2.

NICKLIN, ARTHUR SYDNEY, Clerk to A. Cropp Hawkins (A. Cropp Hawkins & Co.), Portland House, Church Street, Stoke-on-Trent.

NORTHEAST, WILLIAM HAROLD, Clerk to Peat, Marwick, Mitchell & Co., 11, Ironmonger Lane, London, E.C.2.

NYE, FRANCIS HARRY, Clerk to Hughes & Allen, 36-37, King Street, London, E.C.2.

ORANGE, HENRY DANIEL, Clerk to Maynard & Son, 37, Queen Victoria Street, London, E.C.4.

OSMAN, DAVID, Clerk to R. A. Wetherall, Somerset Place, Swansea.

PACK, PHILLIP AMBROSE, Clerk to Worsfold, Neylan & Co., Market Square, Dover.

PARKER, WILLIAM, Clerk to Aston, Wilde & Co., 45, Newhall Street, Birmingham, 3.

PATRICK, THOMAS ROBERT, Clerk to T. E. Niven (Thomas Smith & Sons), National Bank Buildings, 135, Buchanan Street, Glasgow, C.1.

PAYNE, ERNEST GEORGE, Clerk to S. J. Chubb (Edward Blinkhorn, Lyon & Co.), 69, Leadenhall Street, London, E.C.3.

PAYTON, HERBERT, Clerk to W. E. Veasey, Borough Treasurer, Town Hall, West Bromwich.

PEACH, DENNIS CHARLES EDWARD, Clerk to John Moffitt, City Treasurer, The Guildhall, Portsmouth.

PENHALE, HERBERT RICHARD, Clerk to R. A. Wetherall, Somerset Place, Swansea.

PHILLIPS, ANTHONY CHARLES, Clerk to Price, Waterhouse & Co., 3, Frederick's Place, Old Jewry, London, E.C.2.

PIRIE, JOHN WILLIAM, Audit Department, Ministry of Health, 24, Swift Gardens, St. Giles, Lincoln.

POLLARD, LESLIE ARTHUR, Clerk to E. Morton Lomax (Lomax, Clements, Gladstone & Co.), 10-13, Newgate Street, London, E.C.1.

PRICE, WALTER HAMILTON, Clerk to Blane & Nickson, 30, Birley Street, Blackpool.

PRIME, SIDNEY GEORGE, Clerk to Ball, Baker & Co., Spencer House, South Place, London, E.C.2.

RAMSBOTTOM, JOHN, Clerk to Edward, Hope & Co., Willow Street, Accrington.

RAMSHAW, CUTHBERT ALFRED, Clerk to G. A. Ferry (Greaves & Co.), Prudential Chambers, Bank Street, Carlisle.

INTERMEDIATE—(*Continued*).

REAH, WILLIAM ANDREW, Clerk to Bolton, Wawn & Co., 48, West Sunniside, Sunderland.

REASON, PETER HENRY, Clerk to Arthur F. Sharp (Hilton, Sharp & Clarke), 14, Gray's Inn Square, London, W.C.1.

REES, JOSEPH THOMAS, Clerk to G. Brinley Bowen (Brinley Bowen & Mills), 22, Wind Street, Swansea.

RIST, ROBERT WARD, Clerk to Brannan, White & Charlton, Blossoms Inn, 23, Lawrence Lane, Cheapside, London, E.C.2.

RIXON, LEONARD CHARLES, Clerk to Cooper & Cooper, 49, Eastcheap, London, E.C.3.

ROBBINS, GUY MAX, Clerk to H. Harper Smith (Harper Smiths), 30, London Street, Norwich.

ROBERTS, NOEL INIGO, Clerk to J. L. Mudd, Norwich Union Chambers, Congreve Street, Birmingham.

ROBINSON, GEOFFREY HERBERT, Clerk to J. Robinson, 108, Lower Addiscombe Road, Croydon.

RODWELL, FRED, Clerk to Gale & Hutchinson, Royal Insurance Buildings, Bowlalley Lane, Hull.

ROGERS, EDWARD GORDON, Clerk to Carlill, Burkinshaw & Ferguson, 2, Parliament Street, Hull.

ROGERS, WILLIAM MONTAGUE, Clerk to T. H. Vincent, Borough Treasurer, Town Hall, Chatham.

ROOT, JOHN LESLIE, Clerk to Bourner, Bullock, Andrew & Co., Bush Lane House, Cannon Street, London, E.C.4.

ROSCOE, JOHN CURRIER, Clerk to W. A. Mumford (O. W. Davies, Mumford & Co.), Market Chambers, High Street, Kidderminster.

ROSSITER, LESLIE ARTHUR, Clerk to Clifford J. B. Andrews, 71A, Seamoor Road, Bournemouth, W.

ROUSE, LESLIE ALAN, Clerk to Wederell, Trenow, Gillatt & Co., Balfour House, 119-125, Finsbury Pavement, London, E.C.2.

ROWLANDS, WALTER, Clerk to Jones, Crewdson & Youatt, 7, Norfolk Street, Manchester, 2.

RUCK, GEORGE WILLIAM, Clerk to Hill, Vellacott & Co., Finsbury Circus House, Blomfield Street, London, E.C.2.

SAUNDERS, WILLIAM JOSEPH, Clerk to Gardiner, Hunter & Co., 40-41, Old Broad Street, London, E.C.2.

SCAMBLER, LESLIE VICTOR, Clerk to Harper & Broom, 3-4, Clement's Inn, London, W.C.2.

SEAL, JACK, Clerk to Hindle & Jepson, 18, Railway Road, Darwen.

SEARS, LEONARD JOHN, Clerk to Larking & Larking, Invicta Chambers, Maidstone.

SHAY, ALAN CRISP, Clerk to A. T. Keens (Keens, Shay, Keens & Co.), Bilbao House, New Broad Street, London, E.C.2.

SHEARD, PERCY (Fred Sheard & Sons), 5-6, Kirkgate Buildings, Huddersfield, Practising Accountant.

SIMON, RICHARD PAUL, Clerk to A. D. Banfield, 68, Coleman Street, London, E.C.2.

SIMPSON, JAMES SMITH, Clerk to Greaves & Co., 2, St. Nicholas Buildings, Newcastle-upon-Tyne, 1.

SKINNER, LEONARD BENNETT, Clerk to Spicer & Pegler, 19, Fenchurch Street, London, E.C.3.

SMALLMAN, BENJAMIN ALBERT, Clerk to Howard Smith, Thompson & Co., Bank Chambers, 11, Waterloo Street, Birmingham, 2.

SMITH, ALFRED JAMES, Clerk to W. B. Sievwright (Moir, Wood & Co.), 3, Kinnoull Street, Perth.

SMITH, FRANK, Clerk to Peat, Marwick, Mitchell & Co., 2, Park Place, Leeds.

SMITH, MYRA WINIFRED, Clerk to Maurice G. Dadley, Stoneleigh Chambers, 2, Stoneleigh Terrace, Coventry.

STANTON, EDWIN WHITRIDGE, Clerk to F. W. Doleman (F. W. Clarke & Co.), 24-28, Corridor Chambers, Market Place, Leicester.

STODDART, PHILIP, Clerk to Gillespie Brothers & Co., Union Assurance Buildings, 40, Westgate Road, Newcastle-upon-Tyne.

STREET, ARTHUR, Clerk to S. R. Pettitt (Pettitt & Son), Lloyds Bank Chambers, Bournemouth.

STUBBS, JOHN HAROLD, Clerk to W. H. Grigg & Perkins, 36, Baldwin Street, Bristol.

SULLIVAN, CHARLES, Clerk to Mayne, Alexander & Co., 3, Mayfair, Arthur Square, Belfast.

SUTHERLAND, ANGUS, Clerk to R. York Rickard (Darr, Rickard & Co.), 17, Finsbury Square, London, E.C.2.

SWINDELL, FRANK, Clerk to Edwin Guthrie & Co., 71, King Street, Manchester, 2.

TANKARD, ARTHUR, Clerk to F. L. Kilby, Bull Green House, Halifax.

TATE, LAURENCE FRANCIS, Clerk to Stanley H. Smith (Slater, Chapman & Co.), Viaduct Chambers, 38, Holborn Viaduct, London, E.C.1.

TAYLOR, CLAUDE WILLIAM, Clerk to Ferguson-Davie, Harris & Co., 83, Cannon Street, London, E.C.4.

THOMPSON, JAMES MOLYNEAUX, Clerk to John D. Thompson & Co., Scottish Provident Buildings, 7, Donegall Square West, Belfast.

THOMPSON, JOHN WILLIAM, Clerk to T. E. Rowell, 1, Northumberland Place, North Shields.

THURLOW, CYRIL EDWARD, Clerk to Evans, Smith, Boothroyd & Co., 79, Mark Lane, London, E.C.3.

TRUDGIAN, THOMAS PETER FRANCIS, Clerk to F. W. Turquand (Turquand, Turquand & Co.), 1, Broad Street Buildings, London, E.C.2.

UPSDELL, LENNOX CECIL, Clerk to D. Cavill Evans (D. Cavill Evans & Co.), 44, Gresham Street, London, E.C.2.

VENMORE, ROGER EDWARD, Clerk to Arthur Gait, 30, High Street, Newport, Mon.

WALKER, WALTER ERIC, Clerk to William A. Judge, High Street, Skipton.

WALL, FRANCIS COLIN, Clerk to Leonard Ross (Gwynne & Ross), Walker Street Chambers, Wellington, Shropshire.

WALSHAW, RALPH, Clerk to T. Kirkby North, Old Bank Chambers, Park Row, Leeds.

WARBURTON, THOMAS CHARNLEY, Clerk to Norman Sacker & Co., Spring Garden Chambers, Kay Street, Rawtenstall, Rossendale.

WARD, MELBAN NASBY, Clerk to T. E. Dent (C. Percy Barrowcliff & Co.), 55-57, Albert Road, Middlesbrough.

WARNOCK, WILLIAM, Clerk to Thomas Smith & Sons, National Bank Buildings, 135, Buchanan Street, Glasgow.

WEBB, BERNARD ERNEST, Clerk to Ernest Webb, 34, Grand Parade, Brighton.

WHEATLEY, CLARENCE, Clerk to Abbott, Deeley, Hill & Co., Sun Building, Bennetts Hill, Birmingham.

WHELAN, WILLIAM FRANCIS, Clerk to Chipchase, Wood & Jacobs, 39, Berners Street, London, W.1.

WHITE, FREDERICK GEORGE, Clerk to Keeling & Co., 67-69, Watling Street, London, E.C.4.

WIDALL, JOHN EDLY HUGH, Clerk to Frank W. Flint (Boaler & Flint), Bromley House, Angel Row, Nottingham.

WILKES, SAMUEL JOHN, Clerk to George R. Griffin (Griffin & Co.), 7-8, Union Street, Birmingham, 2.

WILKINSON, JACK, Clerk to R. N. Marshall (Stanley W. Marshall & Co.), 109A, Mortimer Street, Herne Bay.

INTERMEDIATE—(*Continued*).

WILLIAMS, EDWARD, Clerk to R. F. Miller & Co., Ramsden Square, Barrow-in-Furness.

WILLIAMS, JOHN EMLYN, Clerk to Percy R. Hayes, Midland Bank Chambers, High Street, Wrexham.

WILSON, FREDERICK SAMUEL JOHN, Clerk to S. J. Chubb (Edward Blinkhorn, Lyon & Co.), 69, Leadenhall Street, London, E.C.3.

WILSON, HOWARD FRANCIS, Clerk to C. Percy Barrowcliff (C. Percy Barrowcliff & Co.), 55-57, Albert Road, Middlesbrough.

WILSON, TOM, Accountant's Department, County Council of Durham, Shire Hall, Durham.

WOLFENDEN, CHARLES REGINALD, Clerk to Lewis & Mounsey, 3, Lord Street, Liverpool, 2.

WOOD, DAVID EDGAR, Clerk to A. Richardson (A. & E. Law & Co.), Kingscourt, Bridge Street, Walsall.

WOODRUFF, GEOFFREY CURTIS, Clerk to W. Ronald Coope, Albion Chambers, King Street, Nottingham.

WORTHINGTON, WILLIAM GILES, Borough Treasurer's Department, Municipal Buildings, Middlesbrough.

WRATHALL, JOHN JAMES, Clerk to H. Howarth (Clarke, Clarkson & Howarth), 31, Castle Hill, Lancaster.

WRIGHT, ROBERT ARTHUR, Clerk to Spicer & Pegler, 19, Fenchurch Street, London, E.C.3.

WRIGHT, WILLIAM ARTHUR, Finance Department, Middlesex County Council, 10, Great George Street, Westminster, London, S.W.1.

WYLDE, RAYMOND OSWALD, Clerk to Harry L. Price & Co., 47, Mosley Street, Manchester.

SUMMARY :—

9	*Candidates awarded Honours.*
223	*Candidates passed.*
258	*Candidates failed.*
490	Total.

Passed in Preliminary.

Order of Merit.

JONES, LEONARD JOHN DENNIS, 12, Lichfield Road, Cricklewood, London, N.W.2. (*First Place Certificate and Prize.*)

INGHAM, DAVID ROY, 52, Park Avenue, Grimsby. (*Second Place Certificate.*)

SMITHIES, ERNEST, 26, Burchett Grove, Hyde Park, Leeds. (*Third Place Certificate.*)

Alphabetical Order.

ALLAN, JOHN WILLACY, 37, Hawthorne Road, Birkenhead.

ARABIN-JONES, LAWRENCE, The Court, Longfield, Kent.

ARDING, JOHN DOUGLAS, Robinwood Cottage, Kingston Vale, London, S.W.15.

ASHTON, ARTHUR, 19, Hereford Street, Oldham.

ASHTON, GEORGE ANDREW, Rothiemay, Dunston Road, Dunston-on-Tyne.

BAKER, THOMAS WILLIAM, 53, City Road, Norwich.

BAMFORD, JOHN, 6, Prescott Terrace, Allerton, Bradford.

BANFIELD, HUBERT THOMAS, 25, Egerton Road, New Malden, Surrey.

BARR, MAXWELL STEEN, 5, Woodhey Road, Rockferry, Cheshire.

BARRELL, STANLEY MANN, 32, Hamilton Road, Highbury, London, N.5.

BERRISFORD, HENRY JOHN, at 22, Duke Street, Fenton, Stoke-on-Trent.

BLOWER, ROLAND STANLEY, 32, Orchard Close, St. Stephens, Canterbury.

BOWDLER, DANIEL GORDON, 110, Kenmare Road, Wavertree, Liverpool.

BOWLER, CHARLES FREDERICK, 7, Tillotson Road, Ilford.

BROWN, ARTHUR, 5, Clapper Hill Grove, Manchester.

BROWN, JOHN CHARLES, 53, Wellingboro' Road, Northampton.

BURN, ARNOLD THAXTER, 23, Railway Approach, Worthing.

CATO, GEORGE LESLIE THESTLEWOOD, Scaleber, Southgate, Urmston, Manchester.

CHANDLER, FREDERICK WILLIAM WINSLOW, 4, Gladstone Buildings, Willow Street, London, E.C.2.

CHAPLIN, FRANK, 59, Tyndale Street, Leicester.

CHAPMAN, WILLIAM ERNEST, Clifton House, Whalley Road, Accrington.

CLARK, HERBERT CHARLES, "Tenterden," 28, Southgate Road, Potters Bar, Middlesex.

CLEAVER, ROWLAND WILLIAM BENJAMIN, 225, Balden Road, Hagley Road West, Birmingham.

CRESSWELL, HENRY, 12, Bristol Avenue, Levenshulme, Manchester.

CROOK, JOSEPH, 4, Rossetti Avenue, Burnley.

DODSWORTH, RONALD HERBERT, at 274, North Road, Hull.

DONALDSON, WALTER, 49, Brookvale Street, Belfast.

EELES, BERNARD CYRIL, 38, Cecil Avenue, Enfield, Middlesex.

ELDERFIELD, ALBERT CYRIL WARREN, 171, King's Road, Camden Road, London, N.W.1.

ELMES, EDWARD ANTHONY, 208, Melfort Road, Thornton Heath, Surrey.

FLORENCE, OSCAR NICHOLSON, 39, Ham Park Road, Stratford, London, E.15.

FRASER, JOHN, 8, Roberts Avenue, Harehills Lane, Leeds.

FRODSHAM, FREDERICK WILLIAM, 25, Noel Street, Liverpool.

GOTT, RAYMOND, 9, Silver Birch Avenue, Fulwood, Sheffield.

GODFREY, WILLIAM EDWARD, 8, Brookland Street, Belfast.

GREEN, PETER ERNEST, Meads Cottage, Lower Green Road, Esher, Surrey.

HAMMOND, EDWARD FREDERICK, 49, Victoria Road, Peckham, London, S.E.15.

HARPER, EDGAR CECIL, "Glenview," Salisbury Road, Banstead, Surrey.

HARRIS, THOMAS FREDERICK WILLIAM, 28, Park Road, Kingston-on-Thames.

HARRISON, CHARLES, 29, Grafton Street, Lincoln.

HAWKINS, EDWARD BERTRAM, Berry Hill, near Coleford, Glos.

HAWKINS, LESLIE HENRY, 32, Victoria Avenue, Mumbles, Swansea.

HEYDON, ALFRED EDWARD, 61, Old Oak Road, East Acton, London, W.3.

HEYWOOD, KENNETH CHARLES, 6, Kingsway, Alkrington, Middleton, near Manchester.

HINE, ALFRED, Jnr., 66, Manor Road, Blackpool.

HINTON, EDGAR, 71, Bargery Road, Catford, London, S.E.6.

HUBER, PETER ERIC, 33, Dorset Square, London, N.W.1.

HUGHES, ROBERT ALEC GORDON POPE, 14, South Road, West Bridgford, Nottingham.

JENNISON, CLIFFORD GEORGE, 110, Bayswater Grove, Harehills Road, Leeds.

PRELIMINARY—(*Continued*).

JOHNSTONE, GEORGE SHEPHEARD, 2, Disraeli Gardens, London, S.W.15.

KNIGHT, JOHN JAMES CHARLES, 40, Blanchard Road, Morden, Surrey.

LAMPORT, CYRIL FREDERICK, 131, Ashford Road, Eastbourne.

LANE, JOHN WALLACE, Vauxhall Fire Station, Albert Embankment, London, S.E.11.

LLEWELLYN, VICTOR DAVID, 8, Nelson Road, South Chingford, London, E.4.

MCELHINNEY, JOHN, 17, Inverness Road, Fairview, Dublin.

MACER, THOMAS HAROLD, Rosemary, Littlewick Green, Maidenhead.

MARGINSON, JAMES RONALD, 43, Collingwood Road, Northampton.

MARSHALL, CECIL, 38, Cleveland Street, Shrewsbury.

MATHERS, THOMAS SETH, Mullahead, Tandragee, Co. Armagh.

MORRIS, MICHEAL, 8, Gladstone Street, Hanley, Stoke-on-Trent.

MORRISH, SIDNEY JAMES, Norton Wood, Clevedon, Som.

NAYLOR, HAROLD, Linden Lea, Moorland Avenue, Dodworth Road, Barnsley.

NUTTALL, MAURICE, 22, Cotton Row, Clow Bridge, near Burnley.

PARKER, KENNETH, 8, Arlington Grove, Easterly Road, Leeds.

PARNABY, JAMES, 56, Tickton Grove, Cottingham Road, Hull.

PARRY, KENNETH CLARK, 27, Victoria Road, Oswestry.

PETERS, FRANK WILLIAM ARTHUR, 48, Richmond Avenue, Merton Park, London, S.W.20.

PURDAM, ISAAC, 2, Etterby Scaur, Stanwix, Carlisle.

RATES, LESLIE CHARLES, 32, Stevenage Road, Bishops Park, London, S.W.6.

ROBERTSHAW, JOHN, 20, Tulip Street, Hunslet, Leeds.

ROYLE, LEONARD, 107, Northender Road, Sale Moor, Cheshire.

SMITH, HAROLD JAMES, 2, Grey Street, Gainsborough.

SMITH, LEONARD FRANK, 107, Faraday Road, Wimbledon, London, S.W.19.

SMITH, ROBERT ALAN, 38, Poulton New Road, Blackpool.

SMITH, STANLEY ERNEST, 9, Leopold Square, Chapeltown Road, Leeds.

SMITH, THORNTON, 30, Kells Gardens, Low Fell, Gateshead.

STALEY, SIDNEY ROLAND, Castleton, near Cardiff.

STEDMAN, FREDERICK WILLIAM JOHN, 27, Gittin Street, Oswestry.

STONEHAM, FREDERICK CHARLES, 78, Umfreville Road, Harringay, London, N.4.

TEALE, HAROLD, 101, Rotherham Road, Hemsworth, near Pontefract.

THOMPSON, HENRY CHARLES, 51, Chestnut Grove, Bootle, Liverpool.

THOMPSON, WILLIAM STANLEY, 7, Roseleigh Street, Belfast.

TODD, ALBERT HOLMES, Salters Grange, Armagh.

TUXFORD, ERIC ARTHUR, 59, Dobcroft Avenue, Millhouses, Sheffield.

WATT, WILLIAM, Rockville Gardens, North Berwick.

WEST, WILLIAM AVERY, 683, Chester Road, Erdington, Birmingham.

WILLIS, HARRY PATRICK, Downend, Parson Street, Hendon, London, N.W.4.

WILSON, GEOFFREY, 114, Hare Hill Road, Littleborough, near Manchester.

WOTHERSPOON, JACK, 15, Lansdowne Street, Burnley.

SUMMARY :—

3	*Candidates awarded Honours.*
89	*Candidates passed.*
75	*Candidates failed.*
167	Total.

Reviews.

The Secretary's Manual. *22nd Edition. By Judge Haydon, K.C. London : Jordan & Sons, Limited, Chancery Lane, W.C.2.* (520 *pp. Price* 10*s. net.*)

This is a well known and very useful book dealing fully with all the duties of a secretary in relation to the affairs of joint stock companies and with many matters that are outside the scope of the ordinary duties of a secretary, as, for instance, the procedure in winding-up. Amongst the matters discussed are prospectus and allotment of shares, underwriting, the books and records which outside parties are entitled to inspect and the conditions on which they are to have access. Information is also given as to the steps to be taken for increasing or reducing the capital of the company, and the conversion of shares into stock, together with specimen forms required for carrying these matters into effect. Amongst the particulars relating to winding-up is a chronological record of the various steps to be taken by a liquidator both in the case of a member's winding-up and a creditor's winding-up.

The Principles of Auditing. *6th Edition. By F. R. M. de Paula, F.C.A. London : Sir Isaac Pitman & Sons, Limited, Parker Street, Kingsway, W.C.2.* (252 *pp. Price* 7*s.* 6*d. net.*)

In this edition important revisions and additions have been introduced, including an explanation of the *Royal Mail Steam Packet* case and the effects of that case in regard to the audit of the accounts of public companies. An appendix contains a selection of examination questions, but no answers are given.

Questions and Answers on Company Law. *By H. A. Ashton. London : The Company Law Press, Limited, 69, Fleet Street, E.C.4.* (300 *pp. Price* 5*s. net.*)

There is perhaps no better way of acquiring a precise knowledge of a subject than by question and answer, provided that the questions are well selected. This is the method which Mr. Ashton has adopted. Altogether there are 1,000 questions and answers in the book, but they are not classified under distinctive headings so that readers will have to rely upon the index for looking up any particular point. The author explains that in many cases the replies to the questions are either taken from sections of the Companies Act or are the precise words appearing in reported judgments of the Courts.

Mercantile Law. *6th Edition. By Ranking, Spicer and Pegler. London : H.F.L. (Publishers), Limited, 19, Fenchurch Street, E.C.3.* (556 *pp. Price* 10*s.* 6*d. net.*)

This well known publication, which is edited by Mr. C. A. Sales, F.S.A.A., and Mr. W. W. Bigg, F.C.A., F.S.A.A., is in the same form as before, but the text has been revised and amplified in several respects, a number of additional case decisions having been introduced as well as the provisions of recent Acts of Parliament. The book is well produced and the contents conveniently classified and fully indexed.

Students' Summary of the Law of Contracts. *4th Edition. By Ralph Sutton, M.A., and N. P. Shannon, Barristers-at-Law. London: Butterworth and Co. (Publishers), Limited, Bell Yard, Temple Bar, E.C.4.* (394 *pp. Price* 12*s.* 6*d. net.*)

This book is intended primarily for the use of law students, and the first endeavour of the authors has been to state in precise and comprehensive terms the leading principles of the law of contract, and in the second place to impress upon the student the necessity for an intelligent study of cases. Amongst the divisions of the subject are contracts by deed, simple contracts, and contracts of record, whilst matters affecting the validity and enforceability of contracts include questions of duress and undue influence, illegality, misrepresentation and mistake. Remedies for breach of contract are also considered, as well as joint liability and agency and the relations of an agent to third parties.

Incorporated Students' Telephone. *By the Directors and Tutors of H. Foulks Lynch & Co. London: H. Foulks Lynch & Co. (Publishers), Limited,* 19, *Fenchurch Street, E.C.*3. (84 *pp. Price* 2*s.* 6*d. net.*)

Now that the examination results have been declared, the candidates who sat for the examinations of the Society of Incorporated Accountants and Auditors in May last will be interested to compare the answers which they gave with those appearing in this publication. The answers relate to the Intermediate and Final examinations only—not to the Preliminary.

Back Duty Cases. 2*nd Edition. By Ronald Staples. London: Gee & Co. (Publishers), Limited,* 8, *Kirby Street, E.C.*1. (128 *pp. Price* 10*s.* 6*d. net.*)

This is a useful little book dealing with many points relating to the settlement of claims for back duty. Amongst the matters discussed are fraud and wilful evasion, mitigation of penalties, the means test, excess profits duty, voluntary disclosures, and the making of offers. Mr. Staples also expresses his view as to the accountant's position and duty in relation to these matters. Commenting on back duty claims generally, he says, "the law on the subject is weak, the zeal of the official is strong, and the ignorance of the taxpayer is colossal." In the present edition comprehensive examples of the working out of back duty cases have been included, and the subject of excess profits duty has been dealt with more fully.

Allowed Subscriptions. 2*nd List. Compiled by the Editor of "Taxation." London: Gee & Co. (Publishers), Limited,* 8, *Kirby Street, E.C.*1. (22 *pp. Price* 2*s.* 6*d. net.*)

This booklet contains a second list of the associations whose subscriptions are allowed as a charge for Income Tax purposes. The list is compiled in alphabetical order, thus enabling the name of any particular association to be readily traced. The first list, which contained the names of about 1,500 trade associations, may still be obtained from the publishers at the price of 3*s.* net.

The "Verisimpul" TSM. Cash Book. *Kingston-on-Thames: The "Verisimpul" Account Book Company, Limited, Bank Chambers,* 4, *Market Place.* (120 *pp. Price* 10*s. net.*)

This book, which contains 60 openings, is in the form of an analysed Cash Book, and is ruled in such a way as to afford the necessary information for preparing a Profit and Loss Account and Balance Sheet at the end of the trading period, by bringing into account Debtors, Creditors and Stock. The rulings are well designed, and are intended to meet the cases of traders and shop keepers who are not skilled in book-keeping. Examples showing how the entries should be made are given at the end, first in relation to the case of a business where all cash takings are not banked but certain payments made out of the till, and secondly in the case of a business where all cash takings are paid into the bank day by day. These examples are supplemented by full explanations which are given on the back cover.

Unemployment Insurance. *By S. P. Low, B.A., and St. V. F. Coules, B.A., Barristers-at-Law. London: Sir Isaac Pitman & Sons, Limited, Parker Street, Kingsway, W.C.*2. (124 *pp. Price* 6*s. net.*)

Those desiring information with regard to unemployment insurance will find here what they require. Amongst the matters discussed are excepted employments, exempt persons, contributions and benefits, transitional payments and recovery of overpayments. Full explanations are given with regard to the powers of Inspectors, legal proceedings, offences and other matters.

Urlin's Law of Trustees. 6*th Edition. By G. F. Emery, LL.M., Barrister-at-Law. London: Sir Isaac Pitman & Sons, Limited, Parker Street, Kingsway, W.C.*2. (136 *pp. Price* 3*s.* 6*d. net.*)

Many matters relating to Trustees and the Trusts which they administer are explained concisely in this little book. Amongst the special points which are discussed are the powers of Trustees to employ agents, their dealings with leasehold estates, trusts for sale, charitable and religious trusts, custody and investment of trust funds, and the disabilities of married women.

Society of Incorporated Accountants and Auditors.

MEMBERSHIP.

The following additions to the Membership of the Society have been completed since our last issue:—

ASSOCIATES.

HESKETH, JAMES HENRY, Clerk to Robert Hollows, 33A, King Street, Wigan.

MCGOUGH, LESLIE CRAWFORD, Clerk to Deloitte, Plender, Griffiths, Annan & Co., 17 and 18, Royal Exchange Buildings, Smith Street, Durban.

MURRAY, WALTER RICHMOND, Clerk to Stockwell, Williamson & Co., 52, Brown Street, Manchester.

SURTEES, GEOFFREY HUTCHINSON, Clerk to Leith, Freake & Cade, 75, Maitland Street, Bloemfontein.

WINEARLS, JAMES ROBERT, Clerk to Gibson, Whiteley & Co., Namaqua House, Greenmarket Square, Cape Town.

INCORPORATED ACCOUNTANTS' GOLFING SOCIETY.

The summer meeting of the above Society was held at St. George's Hill, on June 22nd, and an enjoyable day's golf was experienced by all present.

The Society's Challenge Cup was played for in the morning, and resulted in a win by Mr. H. Townsend, with a score of 87—12=75. Mr. W. W. A. Couzens was runner-up, with 91—14=77.

The final round of the "Nicholson Trophy" was completed, the winner being Mr. H. Townsend, with the aggregate score of 150, the runner-up again being Mr. W. W. A. Couzens.

In the afternoon a 4 Ball Bogey Competition was held which was won by Mr. R. M. Branson and Mr. A. C. Taylor, with a score of 4 up.

The autumn meeting of the Society is to be held at Coombe Hill Golf Course on September 28th.

How to Detect Errors where Accounts do not Balance.

A LECTURE delivered before the Incorporated Accountants' Students' Society of London and District by

Mr. W. J. BACK,
INCORPORATED ACCOUNTANT.

The chair was occupied by Mr. WILLIAM STRACHAN, Incorporated Accountant.

Mr. BACK said: It has sometimes been suggested that in lectures to Students' Societies insufficient attention has been given to matters of everyday interest in professional practice, and that lecturers have travelled up pleasant byways in search of subjects which could be invested with the charm of novelty, leaving the main professional thoroughfares untrodden. To-night, at any rate, we are to consider the commonplace things, and to remember that even if there are more highly flavoured delicacies it is the commonplace things which provide the bread and butter of our professional livings.

In those old days in which the fathers of the profession built up their practices the professional accountant was a great deal more accountant than auditor. When he began his work he usually found the personal postings made, but not infrequently he was left to complete the impersonal postings himself; often he had to make all the additions outside personal accounts and commonly he found it necessary to check exhaustively everything in the books which he had not done himself; and then he would abstract his own lists of balances and prepare the trial balance for himself. If, thereafter, his trial balance showed a difference, he could go through each book and expect to find his own tick against each item. An unticked item would indicate an uncompleted posting—otherwise the error was one which he had passed or made himself. This condition has very largely passed away, banished by two things:—

(1) The greater capacity of the accountancy staff employed by his clients themselves, reducing his labours as accountant, making exhaustive checking in many cases quite unnecessary, and leaving him free to fulfil his proper function of review.

(2) At the same time the size of the individual trading unit has enormously increased and the volume of transactions passing through a single set of books has become so great as to make detailed checking in many cases a practical impossibility.

There are, however, still many small businesses, and some larger ones, in which the professional accountant acts as accountant to the business and has to complete the records, and balance the books. In these cases, if they fail to balance, he must set about tracing the difference. Also, many accountants, after qualifying, now find spheres of usefulness on the staffs of large companies, and in that capacity have to consider the balancing of the books.

It is probably worth while to remind students at once that the auditor, in his capacity as auditor, must be satisfied in regard to the accuracy of the books, and the fact that transactions are very voluminous will not excuse the absence of complete detailed checking if such is really necessary. It is perhaps too readily assumed in these days that a record may be examined in selection, and if nothing turns up in the course of that selective examination, accepted without further ado as accurate. The auditor's only justification for being content with a selective examination of postings, or of vouchers, is that he is satisfied that if he examined exhaustively he would discover nothing material which has not been before him during his selective test. In order to get such satisfaction he must be sure that the sample which he has examined is a true specimen in that all the factors which have been operating during the period under review have operated in his selected shorter period, that the short period he has exhaustively examined is long enough for him to observe those tendencies and characteristics at work, and that it is really typical of the whole, having nothing abnormal or accidental about it. A true and adequate selection must be an operation similar in kind to taking a transverse section of a living body.

The characteristic feature of double-entry book-keeping is that the mechanical accuracy of the books can be tested by abstracting the balances remaining on all accounts and constructing therefrom a trial balance, the two sides of which must agree unless some entries have been wrongly made. You will not, however, be safe in assuming the contrary and supposing that the books are in a true state of balance merely because the trial balance agrees. For instance, I remember a trial balance running into seven figures, behind which was an enormous amount of detail and in which, moreover, sectionalisation was incomplete, so that a great deal had to be picked up in the general trial balance which had not been proved in the sectional balancing. The trial balance showed a difference of, I think, £1 2s. 11d., and the auditor almost casually began to turn over journal pages, and, with a shout of delight, came upon an item of exactly £1 2s. 11d. apparently unposted, a careful search satisfied him that it had not been posted—and when rectified the trial balance agreed. But, alas! the arm of coincidence in the matter of compensating errors is almost unbelievably long, and in that particular case there were, I think, sixteen other errors or omissions in the accounts and the balance suffered many vicissitudes before it finally came to rest in real agreement.

Also, I just remark in passing that you will all be well aware in the examination room that there are whole classes of mistakes which are not disclosed by any trial balance difference. Unfortunately it is as frequent a habit to forget outside the examination room facts known inside, as for the contrary to happen.

DIFFERENT KINDS OF MISTAKES.

Now, will you review in your minds the different kinds of mistakes which may give rise to a difference in the books:—

1. Errors in the bringing down of the opening balances—or possibly an alteration in a balance after it has been brought down in accordance with the position shown at the last balancing date, or a posting made behind the last balance forward.
2. Unposted items, or items posted to the wrong side of an account.
3. "Blind" entries—made direct in a ledger account and left incomplete.
4. Alterations in the ledger in figures posted from a subsidiary book—the subsidiary book being left unaltered.
5. Transposition of figures in posting.
6. Mistakes in addition.
7. Mistakes in amounts carried forward from page to page within the period.
8. Mistakes in summarisation—where the total is posted to one side of the ledger and the detail to the other.

9. A balance, or balances, taken out wrongly.
10. A balance omitted from the trial balance, or entered on the wrong side thereof.

You may think of others, but these will suffice.

Well, suppose you have a difference to deal with, which may consist of any, or several, of the things we have listed—how are you to set about finding it?

LOCATING THE ERROR.

First, consider the reliability of the staff engaged upon the work, and if you have been accustomed to examine this particular set of books you will know that there are certain members of the staff in whose accuracy your experience does not encourage you to place confidence. A very large part of an auditor's task is that of becoming a judge of men, and you cannot begin too soon to form considered opinions about men—though you will be well advised to keep those opinions to yourself when you have formed them.

You will also consider the value and extent of the internal check available, remembering that in this matter quality is much more important than quantity, and you will take note of the points at which there may have been overlapping or failure to connect.

Then there is the very obvious inquiry—is the difference large or small? Very large differences can usually be located without much trouble. The preparation of an approximate trading account and the consideration of the rate of gross profit shown thereby in comparison with the gross profit experience of previous periods will generally go far toward satisfying you as to the substantial accuracy—or otherwise—of the items entering into the trading account. You will find that rates of gross profit either vary very little, or that the variations can be accounted for by reference to known changes of circumstances. If it is a business the nature of which permits of the preparation of some form of quantity statement you will obtain thereby a very valuable confirmation of your approximate statements—and, of course, of the accounts when finally stated.

Of course you will have inquired into the reliability of the stock figures supplied to you and as to whether they have been prepared on the same basis at the end of the period under review as at the beginning. The stock figures will not influence your difference (though I remember hearing of a man looking into the stock sheets for a difference on the books), but it will influence the test by trading account.

When you have satisfied yourself that your large difference is not to be found in the items entering into the trading account you will pass on to the profit and loss account items in your trial balance, and it will rarely be difficult to obtain reasonable assurance as to the substantial accuracy of each item, in the light of past experience and the present anticipations of the management.

If you are still without a clue to the difference you will next exhaust the remainder of the items in your trial balance—which will now consist solely of items which will presently appear in the balance sheet—by comparing them one by one with the items appearing in earlier trial balances—such an examination and comparison may disclose an omitted item, or an item unusually large or small, or even an item on the wrong side.

By these means you will usually succeed in reducing your difference to a relatively small amount, but you will probably not clear it, and small differences can be very troublesome. In a business which is quite small it may be as well to get right down at once to calling over postings and checking additions, but in a larger business much time will be wasted in this process as the trial balance gives no indication in regard to the place at which the error has occurred.

In any business larger than the smallest the book-keeping system should have been so devised as to provide for sectional balancing or, at any rate, to facilitate the localisation of errors, and if sectional proofs do not already exist a suitably arranged system will make easily available the material from which you will be able to construct total accounts of such a kind as to prove the accuracy or otherwise of individual sections, and so reduce the area of your search.

SMALL BUSINESSES.

Suppose you are dealing with the accounts of a small business having two personal ledgers, one for debtors and the other for creditors (as well as, of course, an impersonal ledger). If total accounts have not been maintained you can quite easily set them up for yourself in the course of your examination of the books. Take, first of all, the debtors ledger: the total of the opening balances will be taken from the papers prepared in the course of the previous audit: to this will be added the total value of the goods sent out during the period—obtainable from the sales day book—less the amount of any returns or allowances to customers. From it will be taken the amount of the cash passing through the cash book for the credit of customers, together with the discounts allowed. In order to obtain the cash figure it may be necessary to analyse the cash book, but as very few items for the creditors ledger will appear on the debit side of the cash book it will probably be easy to abstract these together with any special items and take the remainder as the amount received from customers. Any bad debts written off during the period must be deducted from the total at which you have arrived, and the balance should then be equal to the total value of the debts due by customers, as listed from the debtors ledger. A similar procedure will be followed in respect of the creditors ledger. Any difference arising on these two ledgers will now be known and can be traced, and any remaining difference must be looked for in the impersonal ledger.

When abstracting the balances for a trial balance there is a good deal to be said for the Continental practice of abstracting the totals of debits and of credits and throwing out the balance. If you take that course you will have to take out also the totals in respect of accounts which have no balance open at the balancing date.

Of course, under the provisions of the Code Napoleon everything is dealt with through the journal and the totals of the journal will equal the totals of these ledger debits and credits. If, in either case, they do not, you know at once on which side of the ledger the error is to be found; but even with our system of subsidiary books you will be able to compare the total of all the debits actually appearing in sales ledger accounts with the total which ought to have got there.

LARGER BUSINESSES.

In businesses of any size some form of sectional balancing ought to be in use, but you may occasionally find a business where the day books are used for analytical purposes of a kind involving a classification different from that of the ledgers, and in such a case it may still be worth while to have in mind the system of analysis on sheets elaborated by Sir John Craggs before sectional balancing became popular. The idea is that a running analysis should be made as the postings are called back. Suppose there are three sales day books and three debtors ledgers, and that postings may be made from any one of the day books to each of the ledgers. Postings should be called back by the book-keeping staff, and they will naturally

call back one ledger at a time. As the calling back proceeds the clerk who has charge of the day book will have to wait for his colleague on the ledger to turn up the folio; he will have a sheet by his side with a column for each ledger. He calls the ledger folio and amount and writes the amount in the proper column of his sheet whilst his colleague is finding the place in the ledger. Actually in practice it would take no additional time at all, and the sheet would provide the analysis of the day book necessary for the construction of total accounts—though the books have not been arranged to give a separate total for each ledger. But really there is no difficulty in providing for total accounts and sectional balancing in some way or other if you can get the client persuaded that they are worth while.

When you have set up your total account, or have your sectional balancing statements before you, your next task in the search for a difference will be to consider carefully what is proved by these proofs. You will look out for any points at which the record of special or unusual transactions escapes the proofs and needs consideration outside.

It is sometimes useful in the case of a ledger which receives postings from several sources but which has not a great number of accounts, to work backwards from the ledger to the first-entry books by going through the ledger and tabulating the entries appearing in the accounts in accordance with their sources, that is by analysing the ledger.

For example, suppose you are dealing with a debtors ledger: Head a sheet of analysis paper with the following headings:—Dr. side: (1) Opening Balances; (2) Goods charged out; (3) Transfers; (4) Total. Cr. side: (1) Cash received; (2) Discounts allowed; (3) Credits given; (4) Bad Debts written off; (5) Transfers; (6) Balances; (7) Total. The cross-casts will prove the accuracy of the additions in the accounts, whilst the totals of the columns should equal the totals of the subsidiary books.

FINDING THE ERROR.

Having, so far as the circumstances permit, localised the error, you have to set about finding it.

Figuring.—A very frequent cause of trial balance differences is bad or indistinct figuring. There are people who have a habit of small, spidery, writing—such people ought never to be allowed to touch a set of books. I, personally, always have a feeling that if a man will not write his figures in a clear, bold, hand, he is to be suspected—he is evidently ashamed of his work, and probably has good reason to be!

Then there are those badly-formed figures which might be either of several things, 3's which might be 5's and so on, and I have even come across a 4 so badly made that it was read as 11. You will all think of other cases of this sort.

About the possibility that the difference may be due to this cause there is this to be said; a man is not very likely to misread his own figures—unless he is more than usually careless—so you will do well to consider how far additions, postings, &c., have been made by the man who made the original entry, and look first for such mistakes to postings and additions made by some other clerk. When you come across a figure which could reasonably be misread have it inked out plainly and follow it through.

But it is scarcely less important that each figure should be in the right place. Let me give you an actual example: £471 5s. 9d. was written into an analysis book where the amount was cross-cast for one side of the double entry, and the additions were made to provide the other side. Unfortunately the "1" was written just on the line separating shillings from pounds, and whilst the cross-cast was correct, in the columnar addition it was read as £47 15s. 9d.; causing a difference of £423 10s. 0d. That amount is not traceable by any of the tests to be referred to later, and, alas! both the addition and the cross-cast were passed by the audit clerks in checking, so that the whole of that section of the work had to be re-checked—and it happened to be a particularly heavy section.

Look out for badly placed figures, units placed where the tens ought to be, and so on; probably another Continental practice, that of having books ruled with lines separating the units from the tens and the tens from the hundreds, and so on, might be acclimatised here with advantage.

Additions.—There are certain differences which will strike you at once as probably mistakes in addition: 8/4 (that is 100 pence), 10/- or £1. You will first inquire as to the maker of the additions in the section you are examining, and as to who has checked them. If you happen to know that the maker of some of the additions prides himself on being quick at figures you will probably decide to have his additions checked without further delay—he is particularly likely to have made mistakes and to have misread figures. If you are regularly examining a particular set of books, or the work of a particular book-keeper, you may discover, if you keep a close watch, that he has peculiarities, special mistakes to which he is liable. Some clerks make a habit of occasionally carrying an additional "1," *e.g.*, adding one to the number of shillings to be carried forward into the pounds. Others will, if they can, drop or add 100 in the addition of the pence. Then there are people who seem unable to carry forward figures correctly; if they finish one page with £105 11s., they will head the next page with £100 5s. 11d., or something like that. Look out for these peculiarities and, when found, make a note of them—they may save you a great deal of trouble some day.

Postings.—Mistakes in posting may be due either to the use of wrong figures, to omissions, or to posting to the wrong side of an account.

Except in the case of the journal, postings are not likely to be made to the wrong side of the ledger; it would be a very careless book-keeper who, in the course of posting from the sales day book, would post one item to the credit of a personal account—it has been done, of course, so don't treat it as impossible. Nor is it likely that the monthly total of the sales would be posted to the debit of the sales account. On the other hand, postings from the journal are not infrequently made to the wrong side of the ledger account. There is at least one trade, a trade making very large use of the journal, in which it is customary to reverse the sides and print Dr. on the side on which Cr. usually appears, so that when journal and ledger are laid alongside for posting the two debit sides are together, and by lifting the journal to the other side of the ledger the two Cr. sides are together. In this trade the journal items are very rarely misposted.

If the entries in the journal are numerous and the posting clerk makes a practice of clearing all the debit items and then goes back and enters the credits, he is much less likely to post an item to the wrong side of the ledger than if he is accustomed to deal completely with each entry before passing on to the next.

Then you will inquire if the postings have been called back internally, and you may well take occasion to listen sometime when it is being done and, if the calling is done from the book of original entry, note whether the ledgerman repeats the figures, and whether the call is

distinct, or whether, *e.g.*, £1,040 2s. 11d. could be heard as £1,042 11s. 0d.

You will doubtless meet sometimes, in your round of clients, with systems in which the personal ledgers are short-circuited, invoices received being entered into an invoice register, and, when payment is made, the cash book item referenced direct to the invoice register. If this is done, these two books will call for quite special scrutiny, lest something has been incompletely marked off, or marked off against an item which does not quite fit—differences arising out of discounts or allowances are sometimes overlooked.

Transposition.—That is the misplacement of figures—this is often difficult to locate, particularly as transposition tends to become a habit and to repeat itself. Simple transposition is traceable by the fact that the difference to which it gives rise is divisible by nine.

There may be simple transposition affecting two figures, £23 posted or carried forward as £32. In a three figure transposition you will usually find that the middle figure remains unaltered, and the other two are exchanged. For example, £491 will become £194, giving a difference of £297; or £367 will become £763, but less usually £673. But the middle figure is sometimes changed and £441 may become £414.

The method of identifying the items making up such errors is :—

Suppose the difference is .. .. .. (which is divisible by nine) and you want to discover what transposition could give rise to this difference.	£167	0	6
Add to the pence such an amount as will make 1s.	0	0	6
Add to the shillings such an amount as will make the shillings equal to the number added to the pence	0	5	0
Add to the pounds such an amount as will make the units up to the amount added to the shillings	8	0	0
Add to the tens of pounds such an amount as will make them equal to the number added to the units	10	0	0
And so on as far as necessary.			
	£185	6	0

The difference would be accounted for by £18 5s. 6d. becoming £185 6s. 0d. or *vice versa*.

Take another example. Difference ..		10	1
Add, in the manner described above .. 11s. has become 11d., or *vice versa*.		0	11
		11	0
Or again: Difference	£11,414	17	0
Add, in the manner described above	1,268	3	0
£12,683 as £1,268 3s. 0d. or *vice versa*	£12,683	0	0

Unfortunately the discovery of differences is not always as simple as this; some differences may be the result of either of two or more mistakes, or of several mistakes.

For example, a difference of		8	3
Add, in the manner described above .. (9d. as 9s.).		0	9
		9	0

But it might also have been caused by 11s. 2d. being taken as 2s. 11d. or 10s. 1d. as 1s. 10d. A number of interesting tables indicating in what ways differences of this kind may have arisen are included in a little book by Gee & Co. —"Errors in Balancing." A study of these tables will often suggest to you that it will be a better plan to look out for two mistakes, together accounting for your difference, than for one of its precise amount.

THE STEPS TO BE TAKEN.

Now, let us consider the steps to be taken in order to locate an error or errors.

The order in which these steps should be taken will depend on the nature of the difference and the relevant facts, but :

1. Always first—make sure that there is a difference. It is surprising how many diligently sought differences are found in the end to be non-existent. Start by checking the balances from the various sources to the trial balance, and have the additions on any lists or schedules entering into it carefully checked.
2. Examine all the sectional proofs available, and consider just what they prove, especially looking out for points of overlapping, or failure to connect, in the system.
3. Check the balances brought forward from the last balance—using the papers prepared in the last audit. Lest some well-intentioned person having "corrected" something in a previous period has altered the brought forward figure.
4. Consider and test as to whether the difference is likely to be due to transposition.
5. Check the casts of the ledger accounts, observe that the two sides do agree in cases where the account has been ruled off. Lest £7,416 on one side should be ruled off as being equal to £7,446. Whilst you are scrutinising the accounts see that the balance outstanding on personal accounts at the end can be accounted for by individual items which are unpaid. Keep a sharp look-out for bad and misplaced figures.
6. Examine the journal, see that all entries have posting folios. In many cases you will find that no additions are made in the journal; this may save a little time, but it removes a very useful check on the journaliser.
7. Call back postings—if it should chance to be a 10s. difference for which you are looking it will probably suffice to check half of them, either all those with two figures in the shillings column, or those without, and then examine the Ledger for any of that class unticked.
8. Check additions in books of first entry, watching at the same time that the amounts carried from page to page are correct.

Don't act without considering whether any particular part of your programme is necessary in the special case with which you are dealing; for example, if the cash book has been agreed with the pass book, it is probably unnecessary to check the additions therein.

CASES OF URGENCY.

Finally, it may be necessary to consider the circumstances in which a difference may be passed—either temporarily or altogether. You may be instructed to prepare preliminary accounts as quickly as possible to show early results to the management. You will then be anxious to know how far you can rely upon books with a difference for the purpose of preparing working statements.

Assume that the difference is small—if it is large you must first reduce it to small dimensions—proceed as described earlier to prepare a trading or working account and make careful comparison with past experience and management knowledge of conditions during the period. Proceed similarly with the profit and loss account items. Anything materially wrong will probably be brought to your notice. Next, make a careful scrutiny of the balances standing on personal accounts, looking into the make-up of each balance. Satisfy yourself that no revenue item has been charged to a capital account. If these steps are taken intelligently you will usually find that you can use the resultant figures without much risk. You will, of course, make clear to your client the limitations of the figures.

There will be cases in which you will have to consider the possibility of passing the difference altogether. If the difference is small and the detail heavy, your client may not be prepared to instruct you to go to the length of exhaustive checking. The question whether the difference can be safely passed is one to be settled by the exercise of commonsense (for which in accountancy, as in everything else, there is no substitute) aided by experience. Accountancy is not a mystic rite, but the application of sheer commonsense in relation to the matters with which it deals.

If you are satisfied that the books have been so thoroughly checked that it is practically impossible for the difference to represent the combined effect of a number of errors, some of which may be important, it may be passed. If you are acting and reporting as auditor you cannot be content with less than this, without, of course, qualifying your report appropriately.

Discussion.

The CHAIRMAN: I am sure that what we have heard to-night will appeal to all who have to do with balancing books. I think Mr. Back's exposition of this matter has not only been very clear, but very thorough and will be most useful. He could not, of course, cover all the ground in so short a time, but if you can carry away half of what you have heard you will have spent a very profitable evening. The meeting is now open for discussion.

Mr. H. E. COLESWORTHY, Incorporated Accountant: I think Mr. Back's lecture was most refreshing. I was interested in his references to cases in which the day book and ledger entries appear alongside. It is rather curious that one does not meet with that system in more businesses than the particular ones to which it is applied at the moment; I think it could be extended quite considerably, and that with a little ingenuity we could ourselves introduce such safeguards against errors in our clients' books. I have one case in mind at the moment which is common to the books of stockbrokers. In the tickets book you will find the entries are all written out for the account and then, in 99 cases out of 100, are re-entered into a tickets ledger, whereas a little ingenuity would enable them to devise a combined day book and ledger. You can use the day book entry as the credit entry of the ledger, and the cash can be posted on the back of the counterfoil of the ticket. I would again express our indebtedness to Mr. Back for the very lucid exposition he has given of this subject, which is a very difficult one indeed to lecture upon. I have enjoyed the lecture immensely.

Mr. G. ROBY PRIDIE, Incorporated Accountant: I should like to support the remarks of the previous speaker, and I fully agree with him that Mr. Back's lecture has been extraordinarily good. I was greatly interested in an expression used by Mr. Back of one of the causes of error, namely, a "blind entry." A year or two ago I was called into the witness box on a certain embezzlement case and, in the course of my evidence, I used the expression "blind entry." The defendant's Counsel who cross-examined me exclaimed "Blind entry! What do you mean by 'blind'? Who and what is blind?" As a matter of fact, I had some little difficulty in making Counsel understand what in our profession we know and designate as a blind entry in books of account, and it rather came home to me to hear Mr. Back use this well known expression. I have quite recently had a very curious experience of how books not in true balance have been made to appear to be so by means of more or less blind entries. This case arose over a question relative to a claim for back duty on income tax. The books had been written up and balance sheets produced for several years by a non-professional accountant who was doing the work in his own time and in his own way. We came across one attempt to make an ordinary reconciliation between the balances of the cash book and bank pass book, but, as this could not be effected, the accountant proceeded to absorb the difference by a blind entry, thus incorrectly adjusting the bank reconciliation. In another of the years under review, a difference was found of between £200 and £300 and we were somewhat puzzled at an item on the balance sheet which appeared to show that the proprietor of the business had himself made a loan to the business. On going into the matter further, the proprietor informed us that "Mr. So-and-so" told him the figure represented untraced differences on the books but that if you called these differences a loan and drew a cheque for the amount it would be quite alright. (Laughter.)

Mr. BACK: I do not think anything arises out of the discussion to which I ought to reply.

Changes and Removals.

Mr. H. C. Banting, Incorporated Accountant, has removed his office to 29, Baker Street, London, W.1.

Messrs. Everett, Morgan & Grundy, Chartered Accountants, announce a change of address to Bush Lane House, Bush Lane, Cannon Street, London, E.C.4.

Messrs. C. H. Mears & Co., Incorporated Accountants, have removed their offices to 15, New Bridge Street, Ludgate Circus, London, E.C.4.

Messrs. Prior & Palmer, Incorporated Accountants, announce that they have amalgamated their practice with that of Mr. E. Harry Palmer, Incorporated Accountant, of Bentinck Buildings, Wheeler Gate, Nottingham. The combined practice will be carried on at General Buildings, Bridlesmith Gate, Nottingham, and the name of the firm will remain unaltered.

Messrs. W. A. Rayner & Co. announce that the partnership hitherto carried on between Mr. W. A. Rayner, F.S.A.A., Mr. S. G. Cole, F.C.A., and Mr. T. J. Bond, F.C.A., has been dissolved. Mr. W. A. Rayner is continuing to practise under the same firm name at 12 & 14, Arthur Street, London, E.C.4.

Professional Appointment.

Messrs. Stephenson, Smart & Co., Incorporated Accountants, Peterborough, have been appointed professional auditors of the Corporation accounts of that city, and also of the accounts of the Scarborough Harbour Commissioners.

Institute of Municipal Treasurers and Accountants.

PRESIDENTIAL ADDRESS.

THE following are the main portions of the Presidential Address delivered at the annual meeting of the Institute held at Folkestone on June 28th, 29th and 30th, by

Mr. D. M. MUIR, F.S.A.A.
Burgh Chamberlain, Dunfermline.

My first note must be one of grateful acknowledgment of the honour which a year ago was conferred on me by my election to the office of President of this Institute. It has indeed been a great privilege to be permitted to participate in the executive work of the Institute in that intimate capacity which of necessity attaches to the office of President, and my thanks I tender to my fellow-members for the opportunity of making some contribution, however meagre, towards the liquidation of the debt one owes to the Institute.

BRANCHES AND STUDENTS' SOCIETIES.

One of the most pleasing privileges which have been mine during the year has been the opportunity of visiting the several Branches of the Institute and the Students' Societies in various parts of the country. Statistics relating to the Branches and Students' Societies will be found in the Report of the Council, and I do not propose to refer to these further than to say that strong as is the position of the Branches, and great as is the progress of the Students' Societies as revealed by these statistics, their real strength and their potential power for good in the administrative life of our municipalities cannot be expressed in any form of notation, and are indeed immeasurable. One was impressed by the practical nature of the Branch meetings and by the full and ready volume of most helpful information on points of practice which was produced by every discussion.

In the Students' Society meetings one was gratified by the spirit of earnestness evinced by the students and by the courteous and kindly reception accorded to the message which one felt constrained to deliver to the coming generation of financial officers of our great municipalities and counties. Everywhere there was a warmth and sincerity in the welcome extended to me which, together with other circumstances, afforded unmistakable evidence of the strong sense of loyalty that exists between Branches and Societies and the Council.

EXAMINATIONS.

By an easy transition one passes from a reference to Students' Societies to the subject of examinations. It is now thirty years since the first examination under the ægis of the Institute was held.

The scope of the Final examination has been extended from time to time, and to-day embraces the following subjects, viz :—

Part I.—Economic Science; Banking and Public Finance; Law; and Statistics.

Part II.—Accountancy; Auditing; Costing; Local Government Finance, including a two hours' Essay on one or other important aspect of the subject.

The examination is admittedly a very severe test, and the standard of efficiency required to secure a pass mark is very high. This is amply borne out by a study of the results of the examinations over a series of years.

In the twelve years, 1922 to 1933 inclusive, during which the Intermediate examination has been held, the total number of candidates who have undergone that test is 3,520. Of that number 1,045 were able to satisfy the Examiners, or just under 30 per cent. of the whole. In the case of the Final examination, the experience in the seven years from 1922 to 1928, during which the whole examination was required to be taken at one term, was as follows :—

Total number of candidates	779
Number passed	245
Percentage of passes	31.4

The syllabus for the Final examination having been extended after 1928, it was deemed expedient to divide the examination into two parts, either of which might be attempted by candidates in successive years, and it is significant that the number of candidates who attempt to pass in both parts at one sitting is diminishing year by year. Whereas in 1929 the number of such candidates was 113, in the present year the number was only 29.

One would have expected to find, as a result of dividing the Final examination, that the percentage of passes would be considerably higher, but the change has not brought about any great increase. The aggregate results of the last three years are as follows :—

	Part I.	Part II.
Total number of candidates	704	497
Number passed	238	151
Percentage of passes ..	33.8	31

It should be explained that the figures quoted of total number of candidates represent the aggregate number of examinees in each of the years indicated, and not the number of individuals examined, many of whom, having failed on a first attempt, may be again included in the numbers examined in a subsequent year.

The reports of the Examiners indicate that, whilst the average candidate reveals in his written work considerable knowledge of matters relating to the subjects of examination, there still remains a disappointing lack of evidence of the capacity to apply that knowledge in an intelligent manner to the particular aspect of the subject upon which the Examiner, by his question, seeks to test the candidate.

This disquieting feature of recent years has been given much thoughtful consideration by the Council, and in view of the ever-extending scope of the duties falling to be performed by the Finance Departments of local authorities, the Council have been impressed by the necessity of extending the minimum period of service requisite before a candidate is permitted to present himself for examination, and have amended their regulations accordingly. By this means it is hoped that candidates themselves may be benefited in that their technical studies may be extended and developed over a longer period of practical training and experience.

The problem of technical training and instruction of the younger members of our staffs has ever been, and must always be, regarded as one of vital importance in the affairs of this Institute. One is impressed by the very excellent work performed by several schools who conduct correspondence courses of study for our students in the subjects of our examinations, but, excellent as are many of such courses, they may in effect militate against the candidate's success in the examination unless he is prepared to regard his "coach" as a director of studies and his "notes" and text-books as pointers to the richer veins of precious ore which lie deep beneath the surface of the measured field, and to obtain which he must work and win by earnest toil.

To carry the latter simile further, it were well that the meetings of the Students' Societies should, to a greater extent, be regarded as the workshop wherein the precious

metal so won by private study may be refined and moulded in the crucible of debate with eager fellow-students and the faithful band of senior men who, though already successfully past the examination stage, devote so much time and care to the welfare of those who are following on in the profession. To that large number of our associates who act as the guides, philosophers and friends of the students, I wish to pay my warmest tribute of praise and gratitude.

THE COUNCIL.

The labours of the Council during the year have been abundant and varied, and are very fully reviewed in the Report of the Council. I should be lacking, however, in the elemental principles of honour and gratitude were I to fail to place on record my most sincere thankfulness for and appreciation of the exceeding kindness and the loyal support which has been given to me by all my colleagues on the Council. The utmost harmony and goodwill has prevailed in all our labours, and it has been a pleasure and a privilege to preside over the deliberations of such a splendid Council.

The domestic affairs of the Institute have occupied much of the time and thought of the Council during the year. When in 1926 the duties of Secretary were taken over by Mr. Collins, and the work of the Institute operated from his office in Westminster, a hope, which had often found expression among members, was partially realised in that the headquarters of the Institute was established in the Metropolis.

During the past six years the work of the Institute has increased to such an extent that for some time it has been apparent to the Council that, sooner or later, additional accommodation would be required to house the office staff and records, whilst the inconvenience of holding meetings of Council and Committees in rooms remote from the Secretary's office was becoming increasingly marked.

The purchase of the premises at Buckingham Street, Westminster, regarding which full particulars have already been made known to members, has, I believe, afforded at once a satisfactory solution to these difficulties and also brought to completion the realisation of a long-felt desire that the Institute should have a permanent "Home" somewhere in London. It may be recalled that such a hope was expressed by Mr. Lund in the Presidential Address which he delivered at Scarborough in 1930, and it is interesting to recall that on the occasion of the last annual meeting held in Folkestone, in 1920, the report of the Council for that year contained recommendations which, although not adopted by the Institute in that year, were nevertheless the first steps towards the position at which the Institute has now arrived. I hope members will avail themselves of an early opportunity of inspecting the new headquarters, and take advantage during their periodic visits to London of the facilities therein offered.

I desire to place on record my high appreciation of the excellent services rendered to the Institute by all the members of the Secretarial staff and my thanks to Mr. Collins and to Mr. Garratt-Holden for the unremitting zeal and outstanding ability which they have displayed in the conduct of their onerous duties. Any success which may have attended my tenure of the Presidential Chair is largely due to the wholehearted and loyal assistance I have at all times received from them.

I cannot pass from the domestic affairs of the Institute without a special reference to the long and valuable service rendered by Mr. Arthur Collins, first in the capacity of Honorary Secretary of the Examinations Committee, and later as Secretary of the Institute. When the transfer of the offices from Abingdon Street was under contemplation, Mr. Collins expressed the view that in such circumstances he would be unable to continue to give personal supervision to the work. His subsequent resignation and the withdrawal of his name from the list of the Institute's officials will be a matter of regret to many. His organising skill, his untiring zeal in all that affected its interests, together with his manifest love for the Institute, have contributed largely towards the position which it holds to-day in the Local Government life of our country.

THE FINANCIAL CIRCULAR.

Our monthly publication continues to maintain its position as a convenient means of disseminating among our members reports of the proceedings of the Council and the Branches and such matters of practice as may from time to time be reported to the Editor. It should be ever present to the minds of our members, however, that the Editor, who is also our Secretary, is not supported by a staff of journalists, but must, to a great extent, depend upon the voluntary contributions of members for paragraphs relating to the financial experiences of their authorities. It does seem possible, and, if we are to maintain and enhance our prestige, it is eminently desirable, that the Circular should be brought up to a much higher literary standard.

The Secretary has made certain suggestions regarding this matter which are to receive the consideration of the new Council, but I wish to appeal for the active co-operation of our members, not only by submitting for publication paragraphs relating to the financial affairs of their own authorities, but also for contributions of a more discursive nature upon the financial aspects of one or other of the varied activities of modern Local Government. Such contributions would be of interest not only to our ordinary members, but also to the considerable body of honorary members who are numbered among our readers.

I pass now to a brief review of some of the outstanding events and incidents which have had a bearing upon the work of local authorities during the year.

CONVERSION OF FIVE PER CENT. WAR LOAN, 1929-1947.

We have witnessed during the past year the successful completion of what is, probably, the greatest financial transaction in the world's history. When the Government gave the requisite six months' notice of their intention to terminate the five per cent. War Loan, and to issue a new Conversion Loan, the effect upon the money market was immediate, and the country awaited the Chancellor's announcement of the terms of the new issue with an eagerness that was quite unprecedented. The bank rate, which in September, 1931, stood at 6 per cent., was reduced by stages to the low rate of 2 per cent. in June, 1932, a figure which had not been touched since May, 1897.

The price of other Government securities and of local authority stocks rose in sympathy with the pending fall in the yield of the premier War Stock, and speculation was rife as to what the rate of the new loan would be. Few people, however, were prepared for the bold stroke which the Chancellor of the Exchequer delivered when he issued his prospectus for Conversion on a basis of 3½ per cent. at par, with a bonus of 20s. per cent. payable on acceptance.

The effect of the announcement was sensational, but the results of the Conversion were even more sensational, and have had a more far-reaching effect upon Finance than any other transaction on record. When one reflects upon the fact that of £2,087 millions of 5 per cent. stock, no less than £1,850 millions were converted to a 3½ per

cent. basis, the mind is astounded by the colossal figures and thrilled by the phenomenal success that crowned the bold policy and skilful organisation of the Chancellor and his advisers.

Singular as was the success of the Conversion, it was followed by two subsequent issues. The first, though representing less than a tenth of the total amount of the 5 per cent. Loan, was more remarkable by reason of the lower rate of 3 per cent. at which the £185 millions of Stock was offered and taken up within the space of a few hours, whilst the third, an issue of £150 millions of Treasury Bonds, was effected at the still lower rate of 2 per cent.

The resultant saving to the National Exchequer in the interest charge for debt services is of vital importance in times when the effects of a long and protracted cloud of depression has settled upon the industries and commerce of the nation and seriously reduced the resources from which the stream of taxation is fed. In the House of Commons on May 17th, 1933, the Chancellor of the Exchequer, in reply to the debate on the Budget, announced that by reason of the recent conversions the nation's annual interest charge had been reduced by no less than 20 per cent.

Borrowings of Local Authorities.

Such gigantic transactions on the money market could not fail to have an appreciable effect upon the borrowings of local authorities, although for two good reasons local authorities have not been able to take advantage of the fall in the market to carry out a conversion of their highly priced stocks. In the first place, in order to ensure the success of the Government conversion by the elimination of competition in the market, the Chancellor of the Exchequer placed an effective bar to the flotation of stocks by public bodies, and, secondly, having regard to the comparatively long period which the more highly priced stocks of local authorities have yet to run, it is doubtful if conversion on a large scale would be wholly justified by the result upon the effective rate charge.

Whilst, however, existing stocks and long-dated loans have not been affected, local authorities have benefited by the lower rates at which new moneys and the renewal of short-term mortgages have been obtained. In Scotland, where the short-term mortgage (covering a period of three to seven years) has for many years been the principal method of borrowing, the entire loan transactions of all the large burghs and cities at the recent Whit-Sunday terms were arranged on the basis of a rate of 3 per cent. for periods of three to five years and for periods exceeding five years at 3¼ per cent. Such low rates have not previously been obtained since the early days of the South African War.

For the purpose of financing their current expenditure pending the collection of their rates, some authorities, having the necessary powers, have succeeded in issuing bills at the remarkably low rate of 7s. 6d. per cent. Within recent weeks I learned of one large block of money having been offered and placed with a local authority for a period of three years at the low rate of 2½ per cent., and there is at present an enormous amount of capital available for investment.

Developments in Industrial Undertakings.

It has been said that one of the principal causes of unemployment is to be found in the speeding up of the means of production by the application of improved methods resulting from scientific research. The enormous strides which have been made in the development of the use of electricity as the prime motive power in industry has undoubtedly resulted in the diminution of the demand for man power in many processes of manufacture. But that aspect of the problem of to-day is but an echo of the outburst of protest which arose throughout the whole land when steam was harnessed to the wheels of industry, and yet we know that there followed upon that very development a long period of great prosperity in the trade of our country. It may be, and one hopes it will be, yet again true in our experience that prosperity will arise in our midst to bless our land by the establishment of new industries created by the very changes that for the present appear to have brought chaos into our industrial life.

However much our artistic sense may be offended by the vast network of high-tension wires supported by ungainly pylons which rise like gaunt spectres in every fertile valley and even on every desolate moor and on the hillsides of our greatest beauty spots throughout the land, we are assured of this, at least, that soon there will be brought within reach of the remotest hamlet and steading the means of light and power at rates which will be within reasonable measure of the ability of all to pay.

Much heartburning was felt by those local authorities whose electricity stations were reduced to the status of mere distributing stations under the national scheme of the Central Electricity Board, and if, for the moment, the cost of generation may not have been reduced to the level of costs which some of these stations were able to show, the ultimate effect must almost inevitably be the production of energy at a cost much below the average of the former separate stations.

When, towards the close of last century, the use of electricity as a means of light and power began to develop, it was thought by many that the knell had been sounded for the passing of the gas industry ; yet such is the wonder of science and the inventive genius of man that not only has the gas industry maintained its place in the service of man, but it has actually made remarkable and rapid developments. In competition with electricity it has probably suffered as an agent for lighting purposes, although, under certain atmospheric conditions, the light produced by the use of high power gas lamps has greater penetrative powers than the light produced by means of electric current. As an agent in the production of heat, however, gas has made enormous strides, and local authorities who were also owners of gas undertakings must have been relieved to find it possible to continue to operate successfully and profitably in spite of the opposition of their newer undertaking.

Great as have been the advances made by the gas industry in the past, it appears certain that still greater developments will appear in the near future. One development in the use of gas which has, during the past year, been effected in my own town—for the first time I think in the history of the industry—is perhaps worthy of notice by those of our honorary members whose authorities are engaged in the supply of gas. I refer to the use of coal gas as a substitute for acetylene gas, along with oxygen in the process of shipbreaking. After much experimental work by the technical experts of the shipbreaking company in consultation with our Gas Engineer, it was found possible to cut through the thick steel armour plates of the great warships which were being broken up at Rosyth by a flame produced by a mixture of our gas and oxygen with equal facility to and at much less cost than that produced by the oxy-acetylene method. Accordingly, agreements were entered into between the company and the Corporation for the supply of large quantities of gas to two of the company's yards.

The question of price might have presented some difficulty but for the fortunate circumstance that two

years ago my Council adopted a new scale of charges for gas supplies which was evolved from the results of a careful study by the Gas Engineer and myself of the problem of costs of production and distribution and of the demands made upon the undertaking by groups or classes of consumers. Having made a careful analysis of all the elements of costs and a complete tabulation of the quantities of gas sold to every consumer in the previous year, we were convinced that the method of charging on a flat rate basis for purposes of lighting and on a basis of reduced rates for industrial purposes irrespective of quantities consumed, could not be justified on any ground either of equity or economic principle. It was apparent that certain costs were definitely related to quantities delivered; that other costs were definitely related to the number of services; whilst other costs were probably related in part to both factors.

The problem may be illustrated by the case of two contiguous houses of exactly similar size and distance from the mains. Certain costs in respect of the supply of gas to each house are identical, *e.g.*, service connection, meter, and cost of collection; whilst the cost of coal and other incidents of manufacture is dependent upon the quantity of gas supplied in each case. Now it is obvious that if consumer "A" uses 60,000 cub. ft. in a year, whilst consumer "B" uses only 20,000 cub. ft., and both pay at a flat rate of 3s. 2d. per 1,000 cub. ft., consumer "B" is not paying his full contribution towards the costs incurred on his account, whilst "A" is paying, presumably, for his own costs and in addition is contributing towards the costs incurred to provide the facilities of a supply to "B." Similarly we were impressed by the absurd position which was presented by the case of a consumer coming under the "industrial scale" who, whilst consuming only 20,000 cub. ft. in the year, was nevertheless receiving a benefit in the form of a reduction in the price of his gas at the rate of 6d. per 1,000 cub. ft. less than that paid by a domestic consumer, even if the latter consumed 1,000,000 cub. ft. in the year.

One was driven to the conclusion that the ideal method of charge lay along the line of a dual scale providing for (*a*) a service charge based upon actual cost of service installed, and (*b*) a commodity charge based upon the quantities consumed, but it was also recognised that the introduction of such a method of charge was likely to defeat its purpose by driving away the small consumer; albeit the small consumer is not necessarily—and is not in fact in our case—the person who is in poor circumstances. Large numbers of meters and services are installed in banks, offices and warehouses only as a standby for use in the event of a failure in the electricity supply, and contribute little or nothing to the revenue of the undertaking.

Acting upon the principle that "a half-loaf is better than no bread," and taking advantage of the fact that a general reduction in the flat rate was then possible, we produced a scale so graduated that, whilst every consumer pays at a uniform rate of 3s. 2d. for the first block of 24,000 cub. ft. in any year, consumers of greater quantities benefit by fairly steep reductions in the rate for subsequent blocks (from 24,000 to 100,000 cub. ft. at 2s. 10d.; 100,000 to 500,000 at 2s. 2d., and so on until a minimum rate of 1s. 6d. is reached). No distinction is now made between domestic and other consumers, and all cash discounts have been discontinued.

I cannot claim that our scale is perfect, but it has solved some of our difficulties and has been the means of inducing a very considerable increase in consumption of gas for heating not only in dwelling houses but in restaurants, bakeries and other industrial premises. The necessity for introducing some such reformed basis for the charge for gas supply will be accentuated in the near future if the present experiments in the use of gas for propulsion of motor vehicles should prove entirely satisfactory.

I believe that we are about to see one of the greatest industrial changes within memory by reason of this development. Hitherto the use of gas for purposes of motor propulsion has been retarded by reason of the difficulty of providing a suitable and safe storage tank. It is understood that that difficulty has now been overcome through the invention of a particular class of steel tank capable of storing the gas compressed to the extent of 4,000 to 5,000 lbs. to a square inch. The quality of the steel is believed to be such that in the event of the pressure proving too great the metal will not burst and splinter, but will rip like a silk fabric.

Approaches have already been made by large omnibus owning companies to certain gas authorities, with a view to the provision of gas-filling stations and the quantities of gas estimated to be required are so astounding that, if they are ultimately realised, the problems that have for long long depressed the coal industry in this country will effectually be solved. One such company of which I have knowledge have estimated that they would require 1,500 million cub. ft. of gas per annum to supply their fleet of 'buses. Such a quantity is equivalent to an additional output of coal of between 70 and 80 thousand tons, and would provide work for a large body of men. It would at the same time effect an enormous reduction in the nation's imports of petrol, and, whilst cutting off one source of revenue for the Imperial Exchequer, would be the means of diminishing the national and local expenditure on unemployment benefit and, at the same time, replenishing the resources of industry from which, in normal times, a considerable amount of taxation was found.

My purpose in referring to this subject is to direct attention to what I regard as a desirable revision of the basis of charge for the supply of gas.

REPORTS OF THE COMMITTEES ON LOCAL EXPENDITURE.

On July 1st last the Chancellor of the Exchequer addressed a letter to the several associations of local authorities in England and Wales and in Scotland inviting them to nominate representatives for the formation of a committee for each of the two countries whose duty it would be "to consider the whole field of local expenditure and make recommendations at the earliest possible date for ensuring reductions in such expenditure, whether defrayed from Exchequer grants, rates or other sources, and whether or not imposed on local authorities as a duty by statute, order, rule or regulation." These committees were in due course appointed, and proceeded with little delay to undertake the examination of the very complex problem contained in the terms of reference. The Committee for England and Wales was presided over by Sir William Ray, J.P., M.P., a member of the London County Council, and the Committee for Scotland appointed as their chairman the Rt. Hon. Lord Lovat, K.T., C.B., D.S.O. (since unfortunately deceased), Convener of the County of Inverness.

The Chancellor requested that the reports of the committees should be submitted to the Government by the end of October so that the time available for the critical examination of the expenditure of all local authorities in the aggregate was extremely limited. The reports of both committees were published in November, and they are at once a striking testimonial both to the earnest manner in which the committees carried out their reference and to the administration of local government generally in the United Kingdom. They are a testimonial to the

Committees because of the extensive range of the survey they were able to make in a remarkably short time of the general policy and expenditure of State- and rate-aided services. Circumscribed as they were by the limitation of time, the reports must be regarded as evidence of faithful and zealous endeavour to implement the terms of reference, but the reports convey to the mind by direct reference as well as by implication the conviction that the problem was much too great to be dealt with in an exhaustive and effective manner within the period of time allotted to the committees.

Criticism of the reports has been offered in various quarters because of the comparative paucity of economies, other than the proposed reductions of salaries and wages, which the committees have been able definitely to recommend, and therein lies the testimonial to the administration of local government, but in this connection it must again be remembered that the reports are admittedly not to be regarded as exhaustive of the problem of economy in local government services.

It may be that in committing such a task to representative members of local governing bodies and in setting so strict a limit to the time to be devoted to their work, the Chancellor adopted the role of the psycho-analyst, and hoped to tempt local authorities along the path of economy by a process of auto-suggestion in preference to the method, so often advocated by certain press critics, of committing such a task to a body of expert economists and business magnates.

The relationships between the Central Government Departments and local authorities in many of the great social services standing as they do, the Chancellor's method was probably the wiser, and it may be found that the minds of local authorities and the minds of the Departments may react to many of the suggestions contained in the reports which, if further explored and acted upon, will doubtless lead to some measure of economy without restricting the efficiency of the services.

The statistical tables of the cost of the various services and of outstanding loan debt over a series of years which are contained in both reports are interesting, but even if due allowance be made for the reduced value of the pound sterling in 1930 as compared with, say, 1914, the mere comparison of the relative figures of these two years does not of itself afford a true basis of judgment as to whether the administration of the services in 1930 from the economic point of view compares unfavourably with that of 1914. It is easy to state, for example, that the total loan debt of local authorities in the United Kingdom in 1914 was £594 millions, whereas the figure in 1930 had reached the enormous total of £1,301 millions, or an increase of £707 millions. The significance of these figures is modified, however, when it is noted that of the increase of £707 millions, housing of the working classes alone accounts for over £481 millions, whilst the great trading undertakings (including gas, electricity, water transport, &c.) have absorbed £136 millions. The balance of £90 millions remains, therefore, as the increased amount of loan debt in respect of those services, the cost of which falls to be met as a direct charge out of local rates and Government grants.

The great development in post-War years of road transport and the revolutionary change in the standard of road formation that has been necessitated thereby, not only in the great industrial and residential centres but in every hitherto remote and secluded rural area, has been one of the principal causes of the increase of capital expenditure met out of loans. Improved conceptions of public health have called for the provision of hospitals and sanatoria, and also for many extensive sewerage and sewage disposal works. It may be a matter of surprise to many, however, to know that of the increased debt of £90 millions attributed to rating services no less a sum than £24 millions is accounted for by services carried out by local authorities under agreements with the Ministry of Agriculture and Fisheries, including the provision of land for allotments and smallholdings, land drainage and river conservancy.

When one reflects upon such consideration the conviction is borne in upon one's mind that the local authorities are not themselves wholly responsible for the large increase in the amount of the loan debt which appears in their accounts, nor for the high level of local rates which they levy now as compared with pre-War years. It will be found generally, I think, that seldom do local councils move in advance of public opinion, rather are they led into easy paths of gradually expanding outlay upon the improvement of local amenities by the popular demands made vocal at election times or they are stampeded swiftly down the steep slope of some subsidised social service as a result of new legislation or the quickening of the pressure of the central Government Department.

Whilst it is appropriate that one should emphasise the view now expressed, there does remain the necessity for constant vigilance on the part of local councils and all their administrative officials to ensure that the services which they carry on for the benefit of (and at the expense of) the ratepayers should be administered efficiently, but with a constant view to the elimination of waste, either of buildings, materials or personnel. There is ample evidence throughout both reports of redundancy in various services, particular examples of which are to be found in the sections of the Ray Committee's Report dealing with Education and Public Health, whilst both Committees express the view that economies could be effected without loss of efficiency by the limitation of the number of separate police forces. A copy of these reports should be made available to every member of our local councils, and should certainly be read by every chairman of a Finance Committee, if for no other purpose than to induce the development of the inquiring mind along the line of economic administration.

I should like to emphasise the importance of one of the recommendations contained in each of the two reports in the sections dealing with Financial Administration:—

(1) FINANCE COMMITTEES.

The Ray Committee state (Paragraph 243):—

> "We think that all authorities should be required by Statute to appoint Finance Committees with powers and duties similar to those of the Finance Committees of County Councils."

Such a view has been often expressed at our annual meetings, and its importance as a factor in the economic administration of local government is so well appreciated by all who have to deal in any degree with the financial affairs of local authorities as to call for no further argument. One hopes that, coming as it now does from such a representative Committee, the recommendation will result in the introduction of a statutory enactment giving effect thereto at an early date.

(2) POWER TO ISSUE MONEY BILLS.

The Scottish Committee, referring to the powers possessed by two cities to borrow money temporarily by the discounting of promissory notes for the purpose of financing current expenditure prior to the completion of the collection of rates, states (Paragraph 294):—

> "This we consider a very valuable privilege resulting in a saving of interest **which should be extended*

* The italics are mine.

to all counties, cities and large burghs forthwith, subject to the same conditions and regulations which govern the present sanction to the two cities."

Members will remember that some years ago, in an address which he delivered at our annual meeting, the Rt. Hon. Reginald McKenna expressed the like view. Hitherto the Treasury have exercised their powerful influence against the incorporation of any such empowering clause in local legislation, presumably lest the competition for such short-time money should prejudice the Government's periodic issue of Treasury Bills.

Such an attitude on the part of the Treasury does not appear to be justified, and should no longer be permitted to prejudice the equal rights that local governing bodies should be able to exercise with a view to the conduct of their financial administration in the manner best suited to their peculiar needs.

The responsibility which rests upon our members as accounting officers increases year by year, and calls for the exercise of meticulous care and professional skill of a high order if the records of the financial transactions of our local authorities are to fulfil their true function, and be the index to the economic health of our communities. There is, however, an implication inherent in the trend of current development in the science of local administration that a still greater responsibility rests upon us as finance officers which calls for a comprehensive and intelligent study of the whole range of local government activities and for the development and exercise of sound principles combined with a sympathetic understanding of the problems involved in the multifarious services which so closely affect the social well-being of the people.

It is gratifying to record that there has been in recent years a considerable measure of mutual co-operation between our Institute and the Associations of other local government officers in matters affecting the financial administration of the various services, and I should like to bespeak a closer development of such mutually helpful association. If the work of our local councils is to be conducted with efficiency and with the minimum of friction, there must be existent among the principal officers a spirit of mutual respect, amity and goodwill. A proper recognition of the functions of each will lead to the development of that happy team spirit which makes for the successful working of the whole administrative machine, and the consequent good of the community.

In concluding my address, I desire to acknowledge the very great kindness and consideration which my town council have shown to me, during the past year, in affording me such unrestricted liberty to undertake the duties devolving upon me as your President, and also to express my gratitude to my local colleagues and the members of my staff, who also have done everything in their power to make my official duties and responsibilities as light as possible.

PAPERS READ AT THE MEETING.

Space does not permit of the publication in full of the Papers read at the annual general meeting of the Institute of Municipal Treasurers and Accountants held at Folkestone on the 28th, 29th and 30th of last month, but the following extracts comprise some of the principal points :—

1.—The Financial Relationship between the Imperial Exchequer and Local Authorities (England and Wales). By Mr. F. J. ALBAN, C.B.E., F.S.A.A., Cardiff.

LACK OF FLEXIBILITY OF RATING SYSTEM.

The insufficiency of the rating system—its lack of flexibility—was the primary reason why it had to be assisted out of the proceeds of national taxation. The view has been expressed that a more flexible system of local taxation which permitted local taxation of local incomes, and still more, which was able to rely, as in many cases in Germany, on revenue from property belonging to the local community, would probably have prevented subventions from the taxpayer in aid of the ratepayer from playing so prominent a part in local finance.

The dangers of separating the responsibility for levying taxation and the responsibility for incurring expenditure has, however, always been recognised as a drawback in any system of Government subventions; it was recently referred to by the Minister of Health (Sir Hilton Young) in the House of Commons, when discussing the question of relief to the able-bodied unemployed, in the following terms :—

> "As regards the new structure which we must now proceed to build, in order to relate our institutions and our changed circumstances with our changed ideas, the principles that I have mentioned are very obvious and are even humdrum. They can also be expressed in old saws, and the first of these to which I would refer is '*He who pays the piper should call the tune.*' I believe that it will be agreed by all of us who have given our close attention to this question that in our organisation of help there has been a mischievous feature that has increased in its potentialities for mischief with the increase in the cost of help and the increase in the number of unemployed. That feature is *the divorce between responsibility for spending the money and responsibility for raising it* . . ."

TOO MUCH DEPENDENCE UPON A SINGLE TAX.

The Royal Commission in their report of 1901 calculated that for the year 1899-1900, 17 per cent. of the Imperial taxation was raised from taxes incidental to rateable property, whereas some 83 per cent. of local finance was raised from that source. They added that the collection of so large a sum as £36,000,000—83 per cent. of the entire local tax revenue—by what was practically a single tax imposed, not in respect of all property, but in respect only of particular classes of property, was a feature of financial legislation which had and could have no parallel in the Imperial system. The case might be different, they said, if any one tax could be a "faultless tax" or if the amount required to be raised was inconsiderable. But, as it was, the enormous growth of the amount required to be raised by local authorities since the commencement of the modern régime of local government had only accentuated the inequality and inequity of the means by which so large a proportion of that revenue was raised—defects which, they observed, were apparent whether the matter was considered from the point of view of the ownership or the occupation of rateable property. The figure of £36,000,000 of 30 years ago has now grown fourfold!

The Royal Commission came to the conclusion that ratepayers had a legitimate cause of complaint "owing to the fact that the basis of local taxation is too narrow, too much dependence being placed upon a single tax, and no means of counter-balance and adjustment being afforded as is the case in the more varied system of taxation adopted for Imperial purposes."

PRINCIPAL GRIEVANCES OF RATEPAYERS.

The principal grievances urged on behalf of ratepayers generally against the existing system of local taxation may be shortly stated as follows :—

(*a*) Sufficient variety has not been given to the means by which the revenue required by local authorities

is raised. Whilst the Imperial financial system has been constantly subject to revision by reference to altered social and industrial conditions over a long series of years, the local financial system has remained almost stereotyped notwithstanding the constant increase of the burdens to be borne;

(*b*) Such revenue is met in too large a measure by what is, in effect, a tax limited in its incidence, and levied only in respect of the occupation of rateable property. The contributors are the occupiers of the real property in the rating area, and the assumed rateable capacity of each is measured by the annual value of the property which he occupies. While in the abstract this measure may bear some sort of general relation to the ability of the contributor, it cannot be said to approximate to a measure of ability as nearly as the income tax.

Quoting the Departmental Committee (1914):—

> "Thus, if A occupies a house rented at £50, and B a house rented at £100, it is not unreasonable to suppose that B is a wealthier man than A and can be called upon to make a higher contribution to the charges of local administration. Nine times out of ten the supposition would be correct. Of course, the system cannot pretend to afford anything more than a rough approximation to an exact measure of ability to pay, and it is quite easy to point to cases in which A may be in fact more wealthy than B, although on the present rating basis he is called upon to make a smaller contribution to rates."

(*c*) Those who possess and enjoy property not rateable are placed in too favourable a position as compared with the owners and occupiers of rateable property. The present system of rating does not take into account personal property or income.

Outside the householder, the question of the real *incidence* of rates becomes increasingly important. But the Departmental Committee pointed out that the system of assessment imposed on retail traders as a class an undue proportion of local taxation because the nature of their business forced them to occupy premises in important streets and centres of trade where rateable value was very high, and that the retailer who, because he dealt in large articles, needed large premises was assessed at a higher figure than the retailer of small articles who might be making a larger income. These objections have been amplified at considerable length in many official documents. The use of rateable value is supported on the ground that the annual value of the house which a citizen occupies is a guide to his means. But the poorer a man is, the greater is the proportion of the house rent which he pays to his total income. The existing graduation of the income tax—illustrated in paragraph 17—recognises that the "ability to pay" of the poor man is *less* than in proportion to his means; but if rateable value is taken as the test he pays *more* than in proportion to his means. Moreover, the abatement of income tax in respect of children—also shown in the table referred to—recognises that the larger a man's family the less his ability to pay; yet the larger family necessitates a larger house, and consequently a larger contribution to rates!

Speaking to the Institute of Public Administration last year on "The Practical Limits of Rateable Capacity," Mr. Frank Hunt, C.V.O., F.S.I., calculated that a local rate of 10s. in the pound meant a payment in rates of 5 per cent. of total income. It would follow that a house occupier, exempt from income tax, would be contributing 3 per cent. of his income towards semi-national purposes (which absorb some 60 per cent. of the average rate levied). In the case of an area where rates approximated or exceeded 20s. in the pound the proportion would be greater. Old age pensioners, unemployed, and others—far below the income tax level—are therefore paying a substantial portion of their meagre income towards national taxation levied in the form of local rates. Rates in these cases take on many of the objections urged against indirect taxation.

CAUSES OF DIVERSITY IN RATE POUNDAGES.

The causes of diversity in the amounts per pound of local rates are succinctly summarised in the Ministry of Health Statement of Rates and Rateable Values as follows:—

> "Many factors operate to produce diversity in the amounts per pound of the rates levied in the several rating areas. In some areas the services charged on the local rates are more numerous and more fully developed than in others. Amongst areas at the same stage of civic development the poundage rate is generally lowest in those in which the amount of rateable value per head of population is highest. But this generalisation is subject to exceptions traceable ultimately to, *e.g.*, peculiarities of site, soil, climate or boundaries; the character and circumstances of the local industries (including rates of wages); diversity in regard to the amounts available; in reduction of rates from non-rate sources (Government grants, rents of Corporate property, &c.); profits or losses arising from municipal trading; local custom; and the efficiency or otherwise of the local administration during—it may be—a long period of years."

It has been suggested of late, in discussions between highly and lowly rated areas on the question of unemployment finance, that "the average rates paid per head of the population is a far more reliable indication of rate burden than low rates in the pound." On this question, it may be noticed that high rates per head of population are usually accompanied by high rateable value per head of population. It will generally be admitted that a relatively high rateable value per head of population indicates greater wealth, and therefore, greater ability to pay, than a low rateable value per head, and this opinion is supported by the views expressed by the Ministry of Health in the extract quoted above.

LOCAL GOVERNMENT ACT, 1929.

In 1928 the Government decided to undertake fundamental changes in the relations between the ratepayer and the taxpayer and between the local authorities and the Departments concerned, over a wide province of local administration, particularly:—

The Poor Law;
Highways;
Rating, and
Grants to Local Authorities.

By the help of its enormous majority, aided by the diversity of the interests affected by different parts of the Bill, the Government ultimately passed into law the Local Government Act of 1929. The claim of the Government that the Act affects local government even more profoundly than the great Acts of 1834, 1835, 1875, 1888, and 1894 is probably well justified.

DERATING.

With regard to the incidence of rating in relation to farmers and manufacturers, the Government expressed the view that the main principle on which the liability

for rates originally rested, namely, the ability of the ratepayer, as measured by the rental value of his property, to pay, had been adopted before the great development of the factory system, and had grown more and more out of relation to actual facts. It could not be contended that the ability of a manufacturer to pay could be measured fairly by the rental value of his factory. Moreover, since the early days of rating the services charged upon rates had increased very much in scope. They extended to services of a personal nature which could not possibly be related directly to the needs of the farmer or manufacturer. In his statement in the House of Commons Mr. Chamberlain said :—

"Local expenditure went up from 8s. 9d. per head in 1841 to £6 10s. per head in 1920. That did not so much matter to the farmer or the industrialist when the farmer had the protection of the Corn Laws, and the manufacturer had a monopoly among all the nations of the world. It was easy enough, then, for him to pass his charges on to his customers; but when the customers turned into competitors the situation was completely changed. Those charges which they had been able safely to ignore, but which had been mounting up, decade by decade, became at first irksome and then crushing. To-day we are faced with this startling fact—that by the effect of this inequitable rating system, carried on under circumstances of modern competition, we have actually involved in ruin some of our greatest industries."

The remedy which Parliament provided in the Act was the derating, to the extent of three-fourths, of industrial and freight-transport hereditaments, and the complete derating of agricultural lands and buildings. The latest estimate presented to Parliament of the cost of this derating reveals a total of £22,300,000 per annum.

General Review of Act.

Any review of the operation of the 1929 Act must suffer from lack of experience of its working and absence of official statistics due to the relatively short time which has elapsed, and in part to the fact that the figures for the first fixed grant period are still provisional.

The frank official admission of the defects of former methods of allocating grants, and the Government's view of a proper system, are emphasised, as marking a complete departure from previous policy.

The distribution of the consolidated grant "solely by reference to the relative needs of the inhabitants of different areas for the local government services affected, and their ability to meet those needs out of rates" is an ideal which local government reformers have preached for many decades. Without deprecating the Government's conversion to this ideal one observes, however—

(i) That the grants under the 1929 Act will not be so distributed wholly until April 1st, 1947—14 years hence—a double dose of "Laban's mixture"!

(ii) The discontinued grants immediately affected concern some 16 million pounds a year only. The larger grants in respect of education (approximately £44 millions), Police (approximately £10½ millions), and other services are at present undisturbed.

(iii) Losses due to the operation of the Act are calculated according to the standard year 1928-29. In certain cases the standard year was not a fair criterion of losses (*e.g.*, the rateable value of certain industrial districts was particularly low at that time. Certain areas, owing to industrial distress, had to curtail considerably their normal expenditure, &c. Moreover, industrial districts in the early stages of development in the standard year may be prejudiced).

Doubtless these defects were, taking the broad view, unavoidable in such a sweeping measure of reform; moreover, the abnormal expenditure on poor relief in industrial areas in the standard year was a rough set-off.

While the allocation of grants to counties and county boroughs proceeds on the basis of weighted population, the allocation *inside* administrative counties between non-county borough, urban and rural councils is based on unweighted population; the capitation grants (now provisionally 12s. 2d. to urban areas and 2s. 5.2d. to rural areas), while doubtless reasonable taking the country as a whole, have proved anomalous in individual cases, and would generally appear in industrial counties to have favoured those county districts which suffered least from derating.

The unfairness, in general, of county districts purporting to "gain" under the Act having to subsidise "losses" of other county districts within the same county for 19 years from the commencement of the Act has been mentioned.

While the defects of the percentage grant system are well recognised, these grants unquestionably stimulated the advance of health measures. The danger of the consolidated grant being used to the detriment of the maintenance and development of health services was in the mind of Parliament in passing sect. 104, which enables the Minister to reduce the grant payable to a Council if the Council fails to achieve or maintain a reasonable standard of efficiency and progress in the discharge of the functions relating to public health services, &c. Hence, one assumes that the Government will move cautiously before abandoning the principle of percentage grants and applying a consolidated grant to the education, police and other services.

The special weight given to low rateable value per head in the formula for the distribution of grants under the Act stresses the necessity for uniformity in valuation for rating purposes as between area and area,

The defects of the present basis of local taxation, viz, rateable value, have been emphasised by successive Royal Commissions, Departmental Committees, and other competent authorities.

The Financial Relationship with the Imperial Exchequer.

The total rateable value in April, 1929, but for derating, would have been £292,373,000. The rateable value on October 1st, 1929, after giving effect to derating, was £255,274,000. The loss of rateable value was thus £37,099,000, or approximately 12¼ per cent. Derating has thus considerably narrowed the basis upon which rates can be levied, and has accentuated the burdens of certain areas.

On the other hand, the reluctance of Parliament to place in the hands of local authorities additional revenues has been illustrated by the experience of the "assigned revenues." When Mr. (subsequently Viscount) Goschen in 1888 handed over to local authorities the proceeds of "wisely chosen items of taxation," he thought that in presenting them with growing revenues wherewith to meet growing obligations he had made a substantial contribution towards solving the problems confronting local authorities. The gradual stereotyping of these revenues and their ultimate discontinuance as a

form of subvention has shown that politically it has not, so far, proved feasible for Parliament to surrender sources of revenue.

It is interesting to recall that the Minority of the Royal Commission reported that—

> "There is no reason why local authorities should not be empowered to impose taxes like a 'wheel and van tax' or a horse tax (so far as such taxes would admit of being localised), or taxes on advertisements and public amusements. But it must be understood that, in advocating the bestowal of this taxing power on local authorities, we mean that they should themselves have as direct a control over the imposts as they now have over rates, and not that the State should levy and collect the taxes and credit the proceeds to some central local fund, which would be merely an additional assigned revenue. We should not be afraid that such power, if exercised, would be abused. Self-interest and public opinion would sufficiently guard against that risk. But as the revenue derivable from sources of this kind would necessarily bear only a small proportion to the whole, the expense and labour of collection would probably deter local authorities from resorting to any appreciable extent to such power."

A slice of the Road Taxation is being utilised by the Government for Exchequer purposes. The entertainment tax (yielding £8 millions per annum) is now an important element in national taxation!

The Suggested Transfer of the Inhabited House Duty.

At one time Inhabited House Duty, which yielded some £2 millions per annum, was looked upon as an instrument of taxation which might be handed over to local authorities. The question was considered by the Royal Commission. While the proposal was supported by the majority, it was severely criticised by the minority, who said (*inter alia*)—

> ". . . its effect would be very partial and capricious as regards its incidence. . . . Districts with residential houses of a good class would relatively benefit much more than poorer districts, and consequently the money derived from the duty would be distributed without any reference to local needs."

The Departmental Committee agreed with these criticisms. However, "the question does not arise," for Mr. (now Viscount) Snowden entirely abolished the duty in 1924.

A Local Income Tax.

Suggestions for a local income tax as the sole source of local revenue, or as a subsidiary source of revenue in aid of rates, have been advocated by many authorities, and certain proposals were in fact submitted by Lord St. Aldwyn to the Departmental Committee in 1914. It was the subject of Mr. John Allcock's Presidential Address to the Institute at the annual meeting in 1913. The official view, viz, that a local income tax is incompatible with the system of collecting income tax at the source, still holds the field. The allocation of the proceeds of a local income tax by reference to the place of residence of the individuals who receive and enjoy the income was regarded by the Board of Inland Revenue as the only feasible method. The Departmental Committee expressed the opinion that this would give rise to such inequalities between residential and industrial districts as practically to destroy the value of the scheme.

Land Taxation.

We have seen that the taxation of land values, which was regarded by the reformers of a previous age as the instrument which would relieve all the troubles of ratepayers and taxpayers, has so far, in the hands of changing politicians, proved an elusive toy. Future Parliaments will doubtless repeat the endeavour to place part of our rating and taxation burdens specifically "on the land," but, at the moment, relief from that source cannot be expected.

Rateable Value as an Instrument of Taxation.

Thus we find ourselves in 1933 with some £270 millions of rateable value upon which taxation in the form of local rates may be levied. The possibilities of growth in this rateable value are obviously limited, having regard to the derating already achieved and the further derating dimly foreshadowed in the cases of hospitals, publicly owned utility undertakings, &c. Moreover, the £270 millions of rateable value is not, like the taxable income for income tax, a uniform and consistent unit for taxation purposes, but is divided into a multitude of rich and poor spots. What is its capacity compared with Imperial taxation?

The Capacity of Income Tax and Rates Respectively.

Much has been written as to the capacity of the taxpayer and the ratepayer respectively. New taxation often involves great disturbance to industry and sometimes more individual hardship than the continuance of old taxation. The difficulty of determining the true incidence of taxes and rates, and the extent to which the burden is shifted by economic processes, complicates the consideration of the problem.

2.—A Comparative Review of Local Government Financial Administration Abroad.

By Mr. Edmund Lund, M.B.E., F.S.A.A., City Treasurer, Carlisle.

To review the local government financial administration in this country is, in itself, no mean task; to extend that review to countries abroad is a much more difficult one, and I am conscious of the inadequacy of the attempt. I have endeavoured hitherto in this paper to outline the various forms of local government in a number of European countries and in America, this being a first essential, however distasteful, to a better understanding of the subject.

The development of local government has brought with it a wide extension of municipal functions and responsibilities. The cause of the development is the growth of communities and the greater facilities for education, recreation and other amenities of life that are now demanded.

With the growth of communities and services there have been financial problems to overcome, national, due to the world upheaval of 1914-18, and local by reason of the vast increase in the monetary requirements of local government.

I have recently been furnished with data collected by Mr. A. E. Buck, of the Institute of Public Administration in New York, relative to municipal expenditure in England and America. The analysis directs attention not only to the scope and variety of municipal expenditure but to the activities of local government bodies in the two countries. It is appreciated that there are a great many activities conducted by local authorities, therefore the analysis is confined to the major functions that exist among the towns and cities of these countries. It has been found possible to show the relative importance of the functional groups by reducing the expenditure for each group to a percentage basis, instead of showing the actual figures. The figures appertaining to England and Wales have been taken from the eleventh Annual Report of the Ministry of Health for the year ended March 31st, 1930, those for the United States from financial statistics of cities having a population of over 30,000 for the calendar year 1930. Whilst there may be some difference in the

comparison due to the fact that the figures for England and Wales include towns with a population of less than 30,000, whereas those for America deal only with towns of that number and over, it is not thought that this will make any material difference in the result. The following is the result of the investigation :—

TABLE I.

Functions.	Percentage of Expenditure of local authorities on various services.	
	United States.	England and Wales.
	%	%
General government — administrative, legislative and judicial ..	8.6	4.1
Protection — police, fire, &c. (including street lighting in England and Wales)	19.6	9.0
Health and Sanitation..	9.7	10.8
Highways (including cleaning and scavenging in England and Wales)	8.4	18.2
Charities, hospitals (including poor relief in England and Wales)	7.0	14.3
Education	36.7	26.9
Libraries	1.3	0.7
Recreation	3.6	1.7
Housing and town planning	—	11.1
Miscellaneous or unclassified	5.1	3.2
	100.0	100.0

A COMPARATIVE REVIEW OF LOCAL GOVERNMENT.

The table emphasises the different functions undertaken by local authorities in the two countries. It will be observed that the cost of protecting the citizen in America is more than twice the amount expended in this country. On the other hand, we spend more than double the amount on roads and hospitals, though less on education, libraries, and recreation. America spends nothing on housing and town planning. The information is illuminating and indicative of the current trend of municipal development in the two countries.

At the commencement of this paper I outlined the principles of local government in Denmark. Of the European countries it escaped the devastating effects of the Great War. Mr. Buck has obtained the percentage expenditure of the principal urban communities in Denmark and has analysed these as nearly as possible in the same manner as those relating to America and England and Wales. The figures are based on those contained in the Denmark Year Book, 1931, relating to urban communities for the fiscal year ended March 31st, 1929. The results are as shown on Table II.

Some criticism may be offered on the above percentages by reason of the fact that it has not been possible to dissect further the miscellaneous group which shows a higher percentage than does the previous table. It will be noted that practically one-third of the expenditure is in respect of social services (of which the largest item is public assistance), education and health being next in rotation. The expenditure upon which the preceding tables are based is exclusive of capital outlay and generally excludes debt charges.

TABLE II.

Denmark.

Urban Functions.	Percentage of expenditure of local authorities on various services.	
	%	%
General administration ..		7.1
Police and Justice ..		7.3
Health		12.4
Roads and sewers ..		9.4
Social services—		
Public assistance ..	12.1	
Old Age Pensions ..	8.1	
Relief Funds	7.8	
Unemployment ..	2.3	
Other social purposes ..	2.4	
		32.7
Education		17.8
Miscellaneous or unclassified		13.3
		100.0

The growth of capital expenditure of local authorities at home and abroad, as is well known, has been phenomenal since the War. For the year ended March 31st, 1930, the capital expenditure in England and Wales was about 25 per cent. of the expenditure for all other purposes. In the United States the capital expenditure of 310 cities with populations of 30,000 or more was 50 per cent. of the expenditure for all other purposes. The increased growth in American capital expenditure is due to the nation-wide attempt, since 1929, to combat unemployment.

The sources of municipal revenue vary a good deal, particularly owing to the method of local taxation. The published statistics for the year 1930 relating to 310 of the largest cities in the United States produce the following results :—

TABLE III.

Sources of Revenue.	Percentage of Total.	
1. General property tax.. ..		63.8
2. Special taxes—		
Special property taxes ..	2.6	
Poll or head tax	.2	
Business or licence taxes ..	3.2	
		6.0
3. Special assessments		6.8
4. Subventions and grants ..		5.8
5. Miscellaneous sources—		
Fines, forfeits and escheats	.6	
Highway privileges, rents, interest	4.6	
Departmental fees and earnings	2.5	
		7.7
6. Earnings on municipal enterprises		9.9
		100.0

Allusion has been made earlier in the paper to the municipal revenue systems of certain European countries,

many of which possess greater variety of sources of taxation but are more restricted by the National Governments as to the amounts they are permitted to raise. In France, for example, the most important source of revenue for the *communes* is the addition to certain of the national taxes, of so many hundredths, or *centimes additionels*, as they are called, the number of *centimes* that may be added by the local authorities being governed by law. The sources of income of French *communes* for 1926 are shown in the following summary :—

	Percentage of Total.
Centimes additionels	28
Fonds Communs—State collected taxes	13.4
Octroi tax, being duties imposed on goods passing through a town ..	13.1
Taxes for the relief of the Poor ..	26.8
Road and other communal taxes..	18.7
	100.0

The French system of taxation has influenced taxation systems in other European countries, particularly Belgium, Italy, Spain and Switzerland. In each case an additional *centimes* tax is in operation, and although the *octroi* tax in France has, in the past, been made of considerable use, it is now a somewhat declining factor, though still of importance. It is interesting to note that this system of taxation is in operation in British India. The French system of levying taxes on specific subjects or objects, such as domestic servants, pianos, motor cars and numerous other items, is followed in a number of European countries, notably Belgium, certain Swiss *cantons*, Czecho-Slovakia and Esthonia.

In the section of this paper dealing with Denmark reference was made to a local income tax which, in that and certain other countries, viz, Holland, Finland, Norway and Sweden, is a chief source of revenue. For the fiscal year ended 1929 income tax contributions in the urban communities of Denmark produced almost one-half of the revenue for the year, the figures being as follows :—

	Percentage of Total.
Income Tax raised by and on behalf of the local authorities ..	45.9
Earnings from public undertakings	35.3
Rates	11.8
Other taxes, mainly on motor cars	7.0
	100.0

In Holland practically all the local authorities levy an income tax for local purposes which is collected in many cases by State officials and is paid over to the *communes*. Prior to the Great War this system obtained very largely in Germany, but now income tax is imposed in that country for State purposes, the local authorities receiving certain assigned revenue grants which supplement local taxation.

Differences exist in the various countries regarding the application of profits from municipal undertakings. In America very few of the undertakings such as gas, water, transport or electricity undertakings are operated by the cities. The same applies to France. In Germany, Sweden, Spain and Denmark the reverse obtains and in Germany in particular municipal trading has developed to a very considerable extent. In this country the trend is to supply public services at cost ; there may be a few exceptions but not sufficient to disturb the general policy. On the Continent it is frequently found that public services and enterprises are undertaken with a view to earning profits to reduce the direct taxation of the locality.

The financial organisation of local authorities in France is very stereotyped in character, particularly by reason of the fact that local government in that country is largely State-determined and of a uniform character. The French system has influenced other European countries with regard to their municipal financial organisation. The most important fiscal officer of the French Municipality is the Treasurer (*le receveur municipal*). In the larger municipalities where the revenues exceed a fixed amount this officer is appointed by the President of the Republic on the recommendation of the Minister of Finance, but in the smaller municipalities his appointment is made by the Prefect. The Treasurer's office is frequently combined with that of the tax collector (*précepteur*). The Treasurer is the head of the department of finance of the *commune* and is the custodian of the communal funds. Whilst responsibility for the municipal payments rests primarily with the Mayor, the Treasurer may refuse to honour the Mayor's warrant when there is no appropriation for the purpose and no funds are available. The Treasurer must submit an annual report to the Municipal Council and also to the National Receiver of finances. I have referred earlier in the paper to the changes which are taking place in Germany. In that country the main responsibility for financial administration still rests with the city executive, known as the Burgomaster. In this connection he has the assistance of a Treasury or finance department.

The practice of budgeting is common among the local authorities of the various countries to which I have referred. Probably the American system of budgeting is less standardised than most ; this no doubt is due to the diversity of local practices and the variety of State legislation.

The purpose of this review has been to direct attention to forms of local government other than those with which we are familiar, to principles and practices which may be superior to our own, and to inculcate the desire to learn more of the local government structure overseas. We have to consider whether the basic principles upon which the local government structure in this country is founded are capable of improvement. In fact we have to get down to the very roots of government itself. It is no use dealing with the subject in less drastic fashion. Local government administration is primarily based on principles of representation.

This calls for an examination of the qualifications, powers and duties of those eligible to undertake self-governing functions. The financial organisations of municipal authorities depend upon predetermined principles and practices of administration. Sources of communal income are in the main based on definite principles of taxation. With regard to these important matters are we to say that there is no room for improvement ? Are the limits which govern the operating functions of local authorities too prescribed ? Do local governing bodies already possess too much power or should they be more autonomous ? Are executive actions to be entirely governed by decisions of elected representatives ? Is it desirable that those entrusted with executive duties should be directly elected by and responsible to the citizens possessing a suffrage qualification ? Is sufficient attention directed by those responsible for executive acts to administrative science ? Is the voluntary system of local government service in the best interests of the community ? Does it detract from securing the services

of those best qualified for administrative duties, but who under present conditions cannot sacrifice the necessary time or money ?

At the commencement of this paper I quoted from a speech made by Mr. Herbert Williams in the House of Commons a short time ago. Sir Ernest Simon in an address on the "Practical Working of City Government in England," delivered to the International Conference of local authorities last year, made use of very similar expressions. He said :—

"Leadership, in any administrative job, is the essence of success. It is surprising that the failure to provide it in English local government has not had more disastrous results. Consider what would be said if a similar organisation were applied to a great business concern. Suppose, for instance, at the next general meeting of, say, Unilever, some shareholder were to get up and say that he had studied the work of English municipalities, he thought it was very efficient, and he would like to see a similar constitution adopted by Unilever. He therefore moved the following resolutions :—

"(1) That one hundred directors should be appointed by a general meeting of shareholders; their principal qualification should be their ability to address the shareholders in persuasive tones. They should be unpaid and should only devote a portion of their time to the work.

"(2) That the chairman should not hold office for more than one year at a time, and should devote the greater part of his time to ceremonial work.

"(3) That there should be no general manager, as the appointment of one man in general charge might be disliked by some of the heads of departments.

"Such a shareholder would be set down as a lunatic, and he would be told that any concern run under a constitution of that sort would inevitably be bankrupt in a very short time. And yet his resolutions represent in fact the constitution under which the government of all our large cities is carried on."

The subject is one of great importance to those interested in local government both here and overseas, and is submitted for your consideration.

District Societies of Incorporated Accountants.

BENGAL.

The first social function of the Incorporated Accountants' Bengal and District Society was held at Peliti's Restaurant, Calcutta, on May 13th, when Mr. N. K. Majumdar, a practising accountant, was entertained on his appointment as the Registrar of Joint Stock Companies, Bengal. The President, Mr. M. L. Tarmaster, who presided, extended a cordial welcome to Mr. Majumdar and offered felicitations on behalf of the Society. Mr. Majumdar, in reply, expressed his pleasure at the formation of a local Society of the Incorporated Accountants of Bengal. He predicted close co-operation between his department and the Society.

BIRMINGHAM.

ANNUAL MEETING.

The annual meeting of the Society was held on June 16th, the President, Mr. E. T. Kerr, in the chair.

The report and accounts for the year ending March 31st, 1933, were presented and adopted.

Mr. G. Horton, who for some years was Treasurer of the Society, and Mr. W. S. Turner tendered their resignations from the Committee, and a resolution was passed expressing the thanks of the Society for their past services. In accordance with the rules Mr. D. E. Campbell, Mr. F. W. Picken and Mr. T. H. Platts retired from the Committee, and they were re-appointed together with Mr. H. Wallond, Mr. F. J. Harper, J.P., Mr. G. R. Griffin, and Mr. T. Hannibal.

The retiring Auditor, Mr. W. A. Mumford, was re-appointed.

A discussion arose regarding the availability of the Library in the evenings. It was resolved that the Committee should consider whether alternative accommodation should be provided in a building available in the evening.

A unanimous resolution was passed in appreciation of the President's services to the Society and of his conduct in the chair at the meeting.

At a Committee meeting held subsequently to the annual meeting, the following officers were appointed :—President, Mr. E. T. Kerr, F.S.A.A.; Hon. Treasurer, Mr. W. L. Hand, A.S.A.A.; Hon. Secretary, Mr. P. G. Stembridge, F.S.A.A.

Report.

The Committee have pleasure in presenting the forty-second annual report of the Society.

The Committee desire to place on record an expression of thanks to the various lecturers for their services, and to the Birmingham Chartered Accountants Students' Society, the Birmingham and District Branch of the Chartered Institute of Secretaries, and the Institute of Bankers, for their invitations to lectures and co-operation.

It is with regret we have to report the death of Lt.-Col. T. E. Lowe, who has been a member of the Committee for many years, and also of Mr. H. M. James. Mr. James also served on the Committee for a number of years.

During the year we were successful in obtaining the services of a number of distinguished lecturers, and it was necessary to hold several lectures at the Chamber of Commerce as our Library provided insufficient accommodation.

The opening dance of the session at Messrs. Kunzles Café was well attended and the Dinner-Dance and Bridge Drive held at the Grand Hotel on December 19th was a very enjoyable function, well over one hundred being present.

During the year the following lectures and functions were held :—

Dance at Messrs. Kunzles Café, Union Street, Birmingham.

"Economics in Real Life," by Mr. C. R. Curtis, B.Sc.

"Building Societies," by Mr. F. E. Lumb, F.C.I.S., Chief Accountant, Halifax Building Society.

"Machinery and Business," by Mr. W. Desborough, O.B.E., General Manager, Power-Samas Accounting Machines, Limited. By invitation of the Birmingham Society of Chartered Accountants.

"Economy in Relation to Public Expenditure," by Mr. H. C. Wallond, F.S.A.A., Chief Accountant Birmingham Corporation. The Institute of Municipal Treasurers and Accountants were invited to this lecture, which was held at the Chamber of Commerce.

"Liquidations," by Mr. C. A. Sales, LL.B., F.S.A.A. This lecture was held at Wolverhampton.

Dinner-Dance and Bridge Drive at the Grand Hotel, Birmingham.

"Law of Principal and Agent," by Mr. H. A. Tucker, LL.B. By invitation of the Chartered Institute of Secretaries.

"The Exports Credit Guarantee Scheme," by Mr. H. Sommerville Smith, M.C., of the Exports Credit Department of the Board of Trade.

"The Effects of Concessions in Income Tax Practice," by Mr. H. A. R. J. Wilson, F.S.A.A. This lecture was held at Wolverhampton.

"Accountants and Investors: Some Stock Market Reforms," by Mr. A. S. Wade, City Editor of the *Evening Standard*. The Chartered Institute of Secretaries were invited to this lecture.

"Companies Act, 1929," by Mr. H. A. Tucker, LL.B. By invitation of the Chartered Institute of Secretaries.

"Death Duties," by Mr. S. Spofforth, A.S.A.A.

"Banks and Industry," by Professor J. H. Jones, M.A. The Chartered Institute of Secretaries, the Birmingham Society of Chartered Accountants and the Institute of Bankers were invited to this lecture.

PRIZES.

Prizes in the form of books approved by the President will be given by the District Society to Student Members taking Honours at the Examinations of the Society, provided that the candidate was actually a member of the District Society at the date of the examination. The value of the books will be as follows:—

Final Examination.

First place.	Books to the value of ..	£3	3	0
All other Honours.	Do. ..	1	1	0

Intermediate Examination.

First place.	Books to the value of..	£2	2	0
All other Honours.	Do. ..	1	1	0

CUMBERLAND AND WESTMORLAND.

ANNUAL MEETING.

The annual meeting of the Incorporated Accountants' District Society of Cumberland and Westmorland was held at Carlisle on June 14th, the President, Mr. E. Lund, occupying the chair.

The report and accounts were adopted, and the following were appointed as members of the Committee: Mr. C. H. Dennison, Mr. F. Griffith, Mr. F. T. Kenyon, Mr. E. Lund, Mr. W. E. Percival, Mr. E. J. Williams, Mr. T. E. Williams, Mr. J. Watson, and Mr. R. S. Duthie. Mr. W. E. Percival and Mr. T. E. Williams were appointed to represent the Society on the Committee of the Students' Section.

The Secretary was instructed to write to the Finance Committee of the Carlisle Corporation thanking them for the use of a room in the City Treasurer's Office for meetings and lectures.

Votes of thanks for services during the past year were accorded to the President, Mr. E. Lund, the Auditor, Mr. W. E. Percival, and the Secretary, Mr. R. S. Duthie.

Report.

The Committee submit their report of the activities which have engaged their attention during the past year.

The Committee have met on numerous occasions, but owing to exceptional circumstances it has not been possible for the Students' Section to hold as many meetings as in previous years, though those held have been well attended.

The following lectures were delivered during the session:—

"Commercial Law Problems," by Mr. R. F. Cartwright, A.C.A., A.C.I.S.

"Holding Companies," by Mr. J. R. Price, Solicitor.

On May 28th, 1932, a successful summer meeting was held at Kendal, and was attended by the President of the Society, Mr. E. Cassleton Elliott, accompanied by Mrs. Elliott and their daughter, together with the Secretary of the Society, Mr. A. A. Garrett, M.A., B.Sc., and Mrs. Garrett. The gathering took the form of a reception and was attended by many well known representatives of the civic, professional and commercial life of the town and district. The Deputy Mayor of Kendal formally welcomed the visitors and a very interesting address was given by the President of the Society.

On March 20th the annual dinner of the District Society was held at Carlisle.

During the year the District Society was represented at the following functions:—Manchester and District Society annual dinner; the dinner of the Parent Society, held at the Guildhall, London; the annual dinner of the Newcastle-upon-Tyne and District Society; a meeting of Branches and District Societies, held in London.

It is gratifying to record that during the year a number of student members have been successful in passing the Society's examinations.

All the members of the Committee retire and are eligible for re-election.

HULL.

ANNUAL MEETING.

The fourth annual general meeting of members was held at the Broadway Hotel, Hull, on June 9th.

In presenting the report of the Committee, the President, Mr. G. A. Ridgway, F.S.A.A., briefly reviewed the professional and social activities of the past year and appealed to both Senior and Student members for their active support of the lectures and other functions.

The report and accounts for the year ending March 31st, 1933, were unanimously adopted, and the following Committee was elected: Mr. Albert H. Crumpton, Mr. R. Leslie Davy, Mr. G. F. H. Gardiner, Mr. W. Brian Hall, Mr. C. P. Lister, Mr. David Morgan, Mr. A. E. Norfolk, Mr. C. H. Pollard, Mr. G. A. Ridgway, Mr. C. W. Preston, Mr. Stanley Scotter, Mr. C. W. Witty, Mr. J. Wood, and Mr. A. Wroot.

The Hon. Auditors, Mr. R. M. Brodie and Mr. W. R. Smith, were unanimously re-appointed.

Report.

The Committee have pleasure in presenting their fourth annual report for the year ended March 31st, 1933.

MEMBERSHIP.

The membership of the District Society is 160, comprising 13 Fellows, 62 Associates and 85 Students.

MEETINGS.

The following meetings and lectures were held during the 1932-33 sessions, the average attendances being 25:—

Annual General Meeting.

"Recent Legal Decisions affecting Auditors," by Mr. J. R. Price, A.C.A.

"The Whole Duty of a Director," by Mr. Albert Crew, Barrister-at-Law.

"The Accountant's Banker," by Mr. W. Mathers, Cert. A.I.B.

"Mercantile Law with Special Reference to Agency," by Mr. O. Griffiths, B.A., LL.B.

Student's Ten-Minute Papers.

"Executorship Law," by Mr. W. H. Grainger, F.S.A.A.

"Income Tax," by Mr. R. Glynne Williams, A.C.A.

"Practical Points in Bankruptcy," by Mr. David Morgan A.S.A.A.

"Recent Changes in the World's Economic Structure," by Prof. G. C. Allen, M.Com., Ph.D.

"Costing and Cost Accounts," by Mr. J. C. Beauvais, A.C.A.

EXAMINATIONS.

The Committee feel that the members will desire to congratulate the students who were successful at the examinations of the Parent Society during 1932. Five passed the Final and six the Intermediate.

DANCE.

The first District Society dance was held by the members and students on February 22nd, 1933, and proved a very successful and enjoyable evening.

GENERAL.

During the year the Committee has dealt with several matters of professional importance, including, in particular, expressions of their views upon Professional Education, Company Law Amendment and Income Tax Appeals, which questions have been raised by the Parent Society, the local Chambers of Commerce and other bodies.

The Committee desire to urge upon both Senior and Student members the desirability of supporting the District Society in all its various activities, and particularly by regular attendance at the meetings and lectures. These are arranged for the benefit of all members, and should provide useful information for practising as well as student members.

NORTH LANCASHIRE.

ANNUAL MEETING.

The annual meeting of the Incorporated Accountants' District Society of North Lancashire was held on June 23rd, when Mr. W. A. Davies, O.B.E. (Vice-President) presided over a good attendance of members.

The annual report and statement of accounts were adopted, and the retiring members of the Committee, Mr. Donaldson, Mr. Coope, and Mr. Howarth were re-elected.

Mr. A. S. Oldman was re-elected Auditor for the year 1933-34, and the Secretary was instructed to convey to him the best thanks of the meeting for his past services.

Votes of thanks were also accorded to the Hon. Secretary, the Hon. Treasurer, and the Chairman.

Report.

The Committee have pleasure in presenting their report on the work of the Society for the year ended March 31st, 1933.

MEMBERSHIP.

The total membership on March 31st, 1933, was 217, consisting of 37 Fellows, 92 Associates, and 88 Students. This is an increase of 27 (including 15 students) over the figures for the preceding year.

LECTURES.

During the session the following lectures were given :—

"Liquidations," by Mr. C. A. Sales, LL.B., F.S.A.A.

"Executorship Accounts," by Mr. C. Townsend, A.S.A.A.

"Executorship Law," by Mr. John Ambler, Solicitor, Preston.

"Some Practical Aspects of Income Tax," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.

The attendance averaged twenty.

EXAMINATIONS.

Congratulations are extended to the student members who were successful at the Parent Society's examinations in May and November, 1932. Six passed the Final and ten the Intermediate.

It will be a source of much satisfaction to the members generally that Mr. George Eccles, Preston, was successful in securing the Second Place Certificate in the Intermediate.

ANNUAL DINNER.

The third annual dinner was held at the Park Hotel, Preston, on November 2nd, 1932. The function was a great success.

PARENT SOCIETY.

The Committee again has pleasure in recording its thanks to the Council and officers of the Parent Society for their continued interest and support. Mr. W. Allison Davies represented the Society at the annual meeting of representatives of District Societies, held in London in May, 1932.

COMMITTEE.

The retiring members of the Committee, Mr. J. Donaldson, Mr. H. Howarth and Mr. F. W. Coope, are eligible for re-election.

AUDITOR.

The retiring auditor, Mr. Alec S. Oldman, is also eligible for re-appointment.

GENERAL.

The Committee has been watchful over the interests of the profession. They would bespeak a more lively interest on the part of all members in the welfare of the District Society, and would welcome any suggestions whereby the status of the profession and the usefulness of the Society might be advanced.

NOTTINGHAM, DERBY AND LINCOLN.

ANNUAL MEETING.

The annual meeting of this Society was held at the Reform Club, Nottingham, on June 19th.

The President, Mr. Fred A. Prior, F.S.A.A., was in the chair, supported by a good attendance of members and students.

Mr. Prior moved the adoption of the report and accounts for the year ended March 31st, 1933, which was carried unanimously.

The following members of the Committee were unanimously re-elected : Mr. H. Frank Palmer, Mr. John W. Mee, and Mr. H. B. Platts.

The retiring auditors, Mr. Walter Clayton and Mr. Harold T. Hooley, were also re-elected.

The Librarian's report which was submitted to the meeting stated that the Library had been used to a much greater extent than hitherto, and that it was in good order and up to date. The Hon. Librarian, Mr. V. W. Trivett, was again re-elected.

The meeting terminated with a vote of thanks to Mr. F. A. Prior for his valuable services as President during the past year.

Report.

The Committee has pleasure in submitting its 24th annual report for the year ended March 31st, 1933.

MEMBERSHIP.

The membership at March 31st, 1933, was :—

Fellows and Associates in Practice ..	48
Fellows and Associates not in Practice ..	71
Students	97
Total membership	216

This shows an increase of 15 for the year.

REVIEW OF THE SOCIETY'S WORK.

During the year eight lectures, one luncheon and the annual dinner were held. The lectures were as follows :—

"Divisible Profits," by Mr. H. Kennewell, A.C.A.

"The London Money Market," by Mr. C. R. Curtis, B.Sc.

"Income Tax," by Mr. Roy E. Borneman, Barrister-at-Law.

"The Duties and Liabilities of Auditors," by Mr. Wilfred H. Grainger, F.S.A.A.

"Company Accounts," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.

"Short Papers by Students," by Mr. F. W. Brierley, A.S.A.A., and Mr. J. Burton Carter.

"Costing," by Mr. Walter W. Bigg, F.C.A., F.S.A.A.

"Crises and Fluctuations in Economic Life," by Mr. Arthur Radford, B.Sc.

The annual dinner was held at the Victoria Station Hotel, Nottingham, on January 20th, 1933.

The Secretary attended the annual meeting and Conference of Representatives of Branches and District Societies in London.

LIBRARY.

Further additions have been made to the library, which is in constant use.

COMMITTEE AND AUDITORS.

The retiring members of the Committee, Mr. H. F. Palmer, Mr. J. W. Mee, Mr. H. B. Platts and Mr. W. Gretton, being eligible, offer themselves for re-election ; also the retiring auditors, Mr. Walter Clayton, A.S.A.A., and Mr. Harold T. Hooley, A.S.A.A.

EXAMINATIONS.

The Committee tenders its congratulations to the candidates who were successful in the examinations of the Parent Society. Ten students passed the Final examination and six the Intermediate.

SHEFFIELD.

ANNUAL MEETING.

The annual general meeting of this Society was held at the Reform Club, Sheffield, on June 13th. The report and accounts were approved.

Officers and Committee for the ensuing year were appointed as follows :—President, Mr. A. B. Griffiths, F.S.A.A. ; Vice-President, Mr. H. Cunningham, A.S.A.A. ; Immediate Past President, Mr. Leslie Lewis, F.S.A.A. ; Committee : Mr. C. A. Belbin, F.S.A.A., Mr. J. O. Claxton, A.S.A.A., Mr. J. H. Freeborough, J.P., F.S.A.A., Mr. C. S. Garraway, A.S.A.A., Mr. A. F. J. Girling, A.S.A.A., Mr. C. E. Gray, A.S.A.A., Mr. E. R. Harrison, F.S.A.A., Mr. F. Smith, A.S.A.A., Mr. P. Toothill, F.S.A.A., Mr. C. H. Wells, F.S.A.A. ; Hon. Treasurer, Mr. J. W. Richardson, A.S.A.A. ; Hon. Auditor, Mr. W. E. Moore, A.S.A.A. ; Hon. Librarian, Mr. H. G. Toothill, A.S.A.A. ; Hon. Secretary, Mr. J. W. Richardson, A.S.A.A.

SOUTH WALES AND MONMOUTHSHIRE.

ANNUAL MEETING.

The thirty-eighth annual meeting of the Incorporated Accountants' South Wales and Monmouthshire District Society was held at the Park Hotel, Cardiff, on May 29th.

Mr. Norman E. Lamb, the retiring President, reviewed the activities of the Society during the past year and called particular attention to the excellent educational work done by the Student Sections at Cardiff and Newport. A series of Prize Essays had been organised by the students, the prizes for which were presented at the meeting to the following :—*Cardiff :* 1st Prize, Mr. D. R. Carston, paper on "Unemployment" ; 2nd Prizes, Mr. E. J. Wade, paper on "The Bank of England and its Relation to National Finance," and Mr. G. M. Richards, paper on "The Accounts of (1) a Pawnbroker, (2) a Bookmaker" ; prize for best contribution to discussions, Mr. J. T. Jones. *Newport :* 1st Prize, Mr. E. W. Sweeting, paper on "Certain Phases of the Legal Aspect of Hire-purchase" ; 2nd Prize, Mr. C. Harrison, paper on "Accounts from Incomplete Records for Income Tax Purposes."

Mr. Lamb paid high tribute to the work of the Hon. Secretary of the District Society, Mr. Percy H. Walker; to the Hon. Secretary of the Cardiff Students Section, Mr. J. Alun Evans ; and the Joint Hon. Secretaries of the Newport Students, Mr. C. G. Railton and Mr. W. N. Bartlett. During the year the Libraries of the two sections, which were housed at the Central Free Library, Cardiff, and at 24, Bridge Street, Newport, had been completely overhauled, 176 new volumes having been added.

Mr. Lamb also mentioned the honour which had been done to a member of their District Society, Alderman C. F. Sanders, J.P., by his election to the office of Chief Magistrate of the City, and also the honorary degree of LL.D. which was to be conferred upon him by the University of Wales in July.

The following six members of the Committee were re-elected, no fresh nominations having been received : Mr. P. A. Hayes, Mr. G. E. S. Heybyrne, Mr. A. Percy Horton, Mr. Norman E. Lamb, Mr. W. J. Pallot, and Mr. E. Ewart Pearce.

Mr. Alfred Shankland, F.S.A.A., and Mr. J. D. R. Jones, F.S.A.A., were elected auditors.

At the conclusion of the meeting the Committee elected Lieut.-Col. R. C. L. Thomas, M.C., of Newport, as President for the ensuing year, and Mr. Tudor Davies, of Bridgend, as Vice-President. Mr. Percy Walker was again re-elected Hon. Secretary and Treasurer.

SWANSEA AND SOUTH-WEST WALES.

Annual Report.

The District Committee have pleasure in presenting their report for the year ended March 31st, 1933.

MEMBERSHIP.

The membership at March 31st was as follows :—Members, 54 ; Student Members, 59 ; a total of 113, an increase of 4 over the previous year.

The Committee regret to have to report the death of Mr. F. J. Warren, J.P., ex-Mayor of Haverfordwest, and Mr. J. W. Jones.

EXAMINATION RESULTS.

During the year four students passed the Parent Society's Final examination, and five passed the Intermediate.

LECTURES.

The following lectures were held during the year :—

"Executorship Law," by Mr. D. Gethin Williams, LL.B.

"Railway Accounts and the Double Account System," by Mr. Percy H. Walker, F.S.A.A.

"Topical Problems in Local Government Finance," by Mr. F. J. Alban, C.B.E., F.S.A.A. (Joint Meeting with South Wales and Monmouthshire District Society, at Bridgend).

"The Present Economic Outlook," by Mr. Alfred E. Pugh, F.S.A.A.

"The Conversion War and the Future of Interest Rates," by Professor J. H. Jones, M.A. (Joint Meeting with Institute of Bankers, at Swansea).

"Company Law," by Mr. C. A. Sales, LL.B., F.S.A.A.

"The Economics of Costing," by Mr. W. H. Stalker, A.S.A.A., President, Newcastle District Society (Joint Meeting with Institute of Cost and Works Accountants, at Swansea).

"Bankruptcy Practice," by Mr. A. J. Rogers, Official Receiver in Bankruptcy.

Short Papers, by Mr. D. R. Auckland, Mr. W. Cowley, and Mr. I. H. Griffiths.

The Committee express their thanks to the Lecturers and to all who contributed to the proceedings.

LIBRARY.

Arrangements have now been made for the library to be housed at the premises of Messrs. Morgan & Higgs, Heathfield Street, Swansea, and a stock of new books will be available shortly.

COMMITTEE.

The following retire by rotation, and, being eligible, offer themselves for re-election: Mr. H. Edwards, Mr. T. Mills.

WEST OF ENGLAND.

ANNUAL MEETING.

The annual meeting of the West of England District Society of Incorporated Accountants was held on June 19th, at the Royal Hotel, Bristol. Mr. Sidney Foster (Vice-President) presided over a good attendance of members.

The Chairman, in proposing the adoption of the report and accounts, referred to the increase in membership and the activities of the District Society, more particularly in connection with the course of eighteen lectures which had been given at four centres in the West of England area. He congratulated the successful candidates at the Intermediate and Final examinations, two of whom obtained Honours Certificates, and expressed the hope for even greater success during the ensuing year.

The retiring members of the Committee, Mr. Sidney Foster, Mr. E. S. Hare and Mr. C. B. Steed, were re-elected, and Mr. R. F. Emmerson was re-appointed Hon. Auditor for the ensuing year, and at a meeting of the Committee held subsequently Mr. Sidney Foster was elected President and Mr. F. A. Webber Vice-President.

Report.

The Committee have pleasure in presenting their report on the work of the Society for the year ended March 31st, 1933.

MEMBERSHIP.

The total membership to date is 331, represented by 60 Fellows, 141 Associates, and 130 Students. This is an increase of 14 over the preceding year, and includes 29 new student members.

LECTURES.

The following lectures were given:—

At Bristol:

"Foreign Currencies," by Mr. C. R. Curtis, B.Sc. (Econ.).

"Bankruptcy Law," by Mr. W. H. Grainger, F.S.A.A.

"Holding Companies and their Accounts," by Mr. R. Glynne Williams, A.C.A.

"Devolution upon Intestacy," by Mr. C. A. Sales, LL.B., F.S.A.A.

"Typical Examination Questions in General Commercial Knowledge," by Mr. W. H. Grainger, F.S.A.A.

"Points in the Memorandum of Association," by Mr. E. W. W. Veale, LL.D.

At Gloucester:

"Foreign Currencies," by Mr. C. R. Curtis, B.Sc. (Econ.).

"Devolution upon Intestacy," by Mr. C. A. Sales, LL.B., F.S.A.A.

"Recent Income Tax Developments," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.

At Plymouth:

"Company Law," by Mr. C. A. Sales, LL.B., F.S.A.A.

"The Implications of Cheap Money," by Mr. R. G. Firth.

"The Preparation of Proofs, Proxies, and Statements of Affairs," by Mr. A. N. F. Goodman, LL.B.

"The Economics of the Tariff Controversy," by Mr. A. S. J. Baster, F.C.A., B.Com.

"Costing," by Mr. W. W. Bigg, F.C.A., F.S.A.A.

"Income Tax," by Mr. H. A. R. J. Wilson, F.C.A., F.S.A.A.

At Taunton:

"Foreign Currencies," by Mr. C. R. Curtis, B.Sc. (Econ.).

"Some Examination Problems in Mercantile Law," by Mr. A. G. Davis, LL.M.

"Points in the Memorandum of Association," by Mr. E. W. W. Veale, LL.D.

LIBRARY.

The Library is replete with the latest editions of text and reference books and a new catalogue has been issued. The Committee would welcome more adequate use of the facilities offered in this direction.

EXAMINATIONS.

Thirty student members were successful at the examinations of the Society held in May and November, 1932, six passing the Final (one with Honours) and 24. the Intermediate (one with Honours).

DINNER.

The official dinner of the Society was held on October 18th at the Royal Hotel, Bristol, when the President, Alderman H. M. B. Ker, J.P., presided over a large attendance.

CONFERENCE.

The District Society was represented by the Honorary Secretary at a conference of representatives of District Societies held in London on May 25th, 1932, when many matters of interest were discussed.

COMMITTEE.

The retiring members of the Committee are Mr. S. Foster, Mr. E. S. Hare and Mr. C. B. Steed. They are eligible and offer themselves for re-election.

YORKSHIRE.

ANNUAL MEETING.

The thirty-ninth annual meeting was held at the Hotel Metropole, Leeds, on May 23rd.

Mr. T. Revell, F.S.A.A., the President, was in the chair, and there was a good attendance of Senior and Student members.

The report and financial statement for year ending March 31st, 1933, was approved and adopted, and the following retiring members of the Committee were re-elected for the next three years: Mr. A. Elliott, Mr. J. H. Gough, Mr. F. Harrison, Mr. T. Revell, Mr. A. Schofield, Mr. S. A. Spofforth, Mr. W. Tate, and Mr. H. Threlfall.

Mr. Tom Coombs, F.S.A.A., was re-elected Hon.

Auditor for 1933-34, and he was accorded a vote of thanks for his past services.

At a Committee meeting held on June 15th the following officers were elected for the Session, 1933-34: President, Mr. Thomas Hayes; Senior Vice-President, Mr. Frank Harrison; Vice-President, Mr. G. Astle; Treasurer, Mr. Alfred Walton; Hon. Secretary and Librarian, Mr. T. W. Dresser.

Scottish Notes.

(FROM OUR CORRESPONDENT.)

Meeting of Scottish Council.

A meeting of the Council of the Scottish Branch was held in Glasgow on 23rd ult. There were present Mr. J. Stewart Seggie (in the chair), Dr. John Bell and Mr. R. T. Dunlop, Vice-Presidents, Mr. D. R. Matheson, M.A., LL.B., Edinburgh; Mr. J. T. Morrison, Coatbridge; Mr. Arch. Macintyre, J.P., Hamilton; Mr. P. G. S. Ritchie, Mr. J. Cradock Walker, Mr. E. Hall Wight, and Mr. James Paterson, Secretary of the Branch.

Apologies for absence were intimated from Mr. D. Hill Jack, J.P., Mr. E. Mortimer Brodie, Mr. Walter MacGregor, Mr. W. L. Pattullo, Mr. Wm. Houston, Mr. Alex. Davidson.

Reports were given of various membership matters dealing with candidates in Scotland, the work of the District Student Societies, and other subjects affecting the members of the Society and the profession generally in Scotland.

The successful efforts of the Scottish Council to include certain clauses in the Solicitors (Scotland) Bill were referred to, and it was agreed to record in the minutes the work of the Secretary in this connection.

A proposal to have special lectures for candidates in Glasgow area was reported, and remitted to a sub-committee to endeavour to make suitable arrangements for such a scheme.

The late Mr. E. C. McLemon.

It is with much regret that we have to record the very sudden death of Mr. Edward Charles McLemon, A.S.A.A., Glasgow, which took place on Saturday the 24th ult. Mr. McLemon was apparently in his usual health on Saturday morning, and on his arrival at his office collapsed and died immediately, seemingly from sudden heart failure. He was about 30 years of age and an active member of the Glasgow Students' Society. This Society has, since this year commenced, lost no fewer than four of its most active and useful members.

National Debt Comptroller on Value of Savings Banks.

On May 26th Mr. Maurice F. Headlam, C.B., C.M.G., Comptroller-General and Secretary, National Debt Office, London, performed the ceremony of opening a new branch of the Aberdeen Savings Bank. In doing so he conveyed a message of congratulations and good wishes from the Chancellor of the Exchequer to the manager of the bank. Mr. Headlam, in the course of his address, said that, from evidence which came before him every day, he could testify how vigorous and active were the trustee savings banks. In Aberdeen the Savings Bank had been made practically an integral part of their constitution. This had been accomplished not only because the bank was an excellently managed institution, but because there was something characteristically Scottish in their trustee savings bank system. This had been shown quite recently because, notwithstanding the bad times through which we were passing, the manager had not hesitated to expand the facilities of the bank.

Notes on Legal Cases.

COMPANY LAW.

In re Matthew Ellis.

Winding Up and Floating Charge.

A debenture was issued within six months of the liquidation of a company by way of floating charge, to secure £3,000 to be applied in payment of a past debt of £1,954 and for general business purposes.

It was held by the Court of Appeal, reversing the decision of Eve (J.) (see *Incorporated Accountants' Journal*, March, 1933, p. 224). that the sum of £1,954 out of the total sum of £3,000 was "cash paid to the company at the time of the creation of, and in consideration for, the charge" within sect. 266 of the Companies Act, 1929, and that there was, therefore, a valid floating charge in respect of the whole sum of £3,000.

(C.A.; (1933) 1 Ch., 458.)

Liquidators of W. & R. S. Kerr v. Kerr.

Grant of Pension.

The directors of a company granted a pension to the widow of a director, she undertaking to retain shares in the company. The company subsequently went into liquidation.

The Court of Session held that the widow was not entitled to the payment of the pension after the company had gone into liquidation.

(C.S.; (1933) S.L.T., 354.)

In re Patrick & Lyon, Limited.

Meaning of "Fraudulent."

In the Companies Act, 1929, sect. 275, "defraud" and "fraudulent purpose" connote real dishonesty, though "fraudulent preference" in sect. 265 does not involve moral blame.

Maugham (J.) held that the creation of debentures by way of floating charge when a company is insolvent is not fraud under sect. 266, as such debentures could be attacked within six months of the winding up, although the winding up had been deliberately delayed and the business carried on in order to get in book debts and hold sales of stock, and it was not clear that the directors had intended by so doing to defraud creditors.

(Ch.; (1933) L.J.N., 353.)

EXECUTORSHIP LAW AND TRUSTS.

In re Worthington; Nichols v. Hart.

Payment of Legacies, Debts and Expenses.

A testatrix, after giving sundry legacies, gave all the residue of her estate to E. S. and L. M. H. in equal shares absolutely. The testatrix died in June, 1932. E. S. had died some three months before, and her share of residue was therefore undisposed of.

It was held by the Court of Appeal that not only the debts and expenses, but also the pecuniary legacies were payable primarily out of the share of residue which had lapsed.

(C.A.; (1933) 49 T.L.R., 444.)

In re Sandbach; Royds v. Douglas.

Income or Capital.

Where dividends on cumulative preference shares are in arrear, and the company issues funded dividend certificates, saleable and redeemable, the future profits of the company to be used in redeeming them, in lieu of payment of the arrears, the certificates, as between income and capital, are to be treated as income and belong to the tenant-for-life.

(Ch.; (1933) 1 Ch., 505.)

THE EXECUTIVE COMMITTEE OF THE INTERNATIONAL CONGRESS ON ACCOUNTING, 1933.

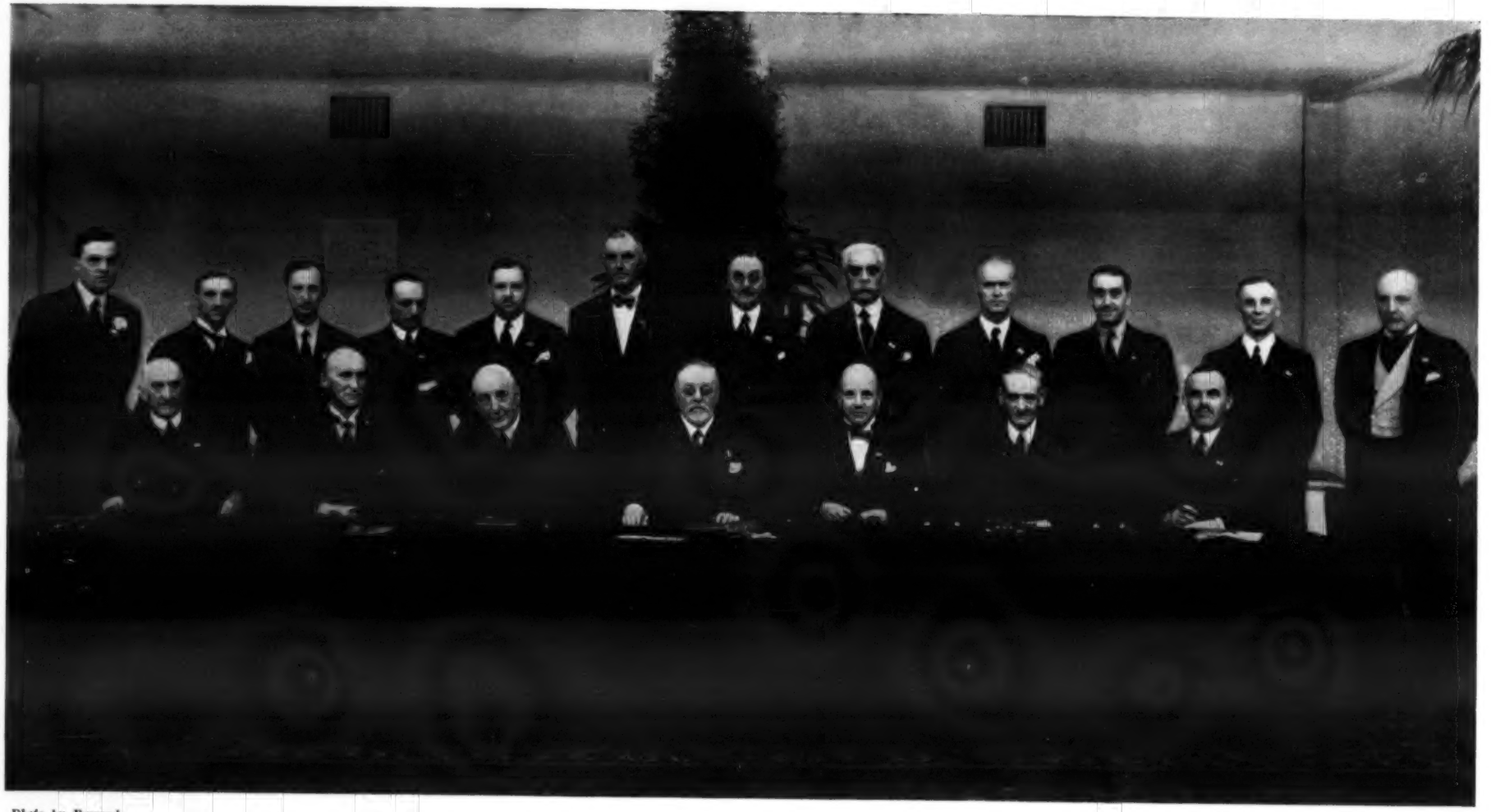

Photo by Rawood.

FRONT ROW, reading from left to right.—Mr. Harold F. Kemp, F.C.A., Sir Nicholas Waterhouse, F.C.A., Sir James Martin, F.S.A.A. (Vice-President), The Right Hon. Lord Plender, G.B.E., F.C.A. (President), Mr. H. L. H. Hill, F.C.A. (Chairman of the Executive Committee), Mr. Henry Morgan, F.S.A.A. (Vice-Chairman of the Executive Committee), Mr. E. Cassleton Elliott, F.S.A.A.

BACK ROW.—Mr. R. W. Bankes, C.B.E. (Assistant Secretary), Mr. F. Wilson, F.C.R.A., Mr. James Wood, C.A., Mr. Charles Reid, D.S.O., C.A., Mr. J. C. Burleigh, C.A., Mr. R. Stanley Stokes, F.C.A. (Ireland), Mr. Thomas Keens, F.S.A.A., Mr. William Cash, F.C.A., Mr. A. E. Cutforth, F.C.A., Mr. J. C. Latham, F.L.A.A., Mr. A. A. Garrett, F.C.I.S (Assistant Secretary), Hon. George Colville, M.B.E. (Secretary).